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Prime Minister Yitzhak Rabin, front, and Foreign Minister Shimon Peres of Israel at a cabinet meeting Monday in Jerusalem. They argued for approval of the peace proposal.

Life Sentence for a Leak

Beijing Cracks Down on an Editor

Who Helped Scoop the Party Chief

sold "state secrets" to a Hong Kong journal-ist who was then able to scoop the Commu-nist Party chief, Ziang Zemin, by publishing a

major speech a week before Mr. Ziang gave it.:

The official Xinhua press agency said Wu Shishen, an editor at the agency's domestic

news department, was tried in secret in April and sentenced Monday by the Beijing Munic-ipal Intermediate People's Court. An accom-

plice, Ma Tao, an editor of the magazine China Health Education News, was sen-

The news agency report did not mention Mr. Ziang's speech. It said only that on Oct. 4, 1992, Mr. Wu took advantage of his journalist's access to secretly obtain "the most confidential document" and give it to Mr.

Ma, who then passed it on to a Hong Kong reporter in exchange for 5,000 yuan (\$865).

language newspaper, The Express, published

the entire text of the party chief's keynote

By Anne Swardson

program has been a veritable gold mine.

Washington Post Service
VANCOUVER — Canada's "buy-a-visa"

Launched in 1986 to allow wealthy foreigners

to obtain permanent residency by investing at least \$120,000 in Canadian enterprises, the program has attracted billions of dollars, most of it from Hong Kong and Taiwan. Studies show that more than 10,000 jobs were created by the

While the investment program was great for

Canada, however, it was not so great for some of the immigrant investors. A number of the

22,057 who have come to Canada under the

program are now discovering that millions of

dollars of their money was funneled into ques-tionable ventures, and much of it appears to be

lost for good.
It was the last thing Howard Wu expected

after he decided to relocate from Hong Kong to

Vancouver. Weary of the threat of political

upheaval as Hong Kong moves toward a transfer of control from Britain to China in 1997, he

a case last fall when a Hong Kong Chin

But the authorities were clearly referring to

tenced to six years in prison.

By Lena H. Sum. officially made public. The Hong Kong rewas detained in Beijing for several
BELING—The authorities sentenced an
days before being supelled to Hong Kong
editor to life in prison on Monday for having
sold "state secrets" in a Hong Kong tournal
reflect the degree of supergreeast

address to the Chinese Communist Party's speeches by top Chinese leaders are the staple 14th Congress a week before it was to be of the Chinese language press.

* Buy Your Visa to Canada,

But Read the Small Print

na's top leaders over the leak of a major policy address. It is also intended to warn

mainland Chinese and overseas journalists

about trying to report too fully on China despite official propaganda of "a more open China."

tenced to 10 years in prison for providing state secrets to foreigners. Bai Weiji had pro-

vided articles about the Chinese economy,

with the case were given two- and four-year

Anthorities are concerned that too much

information they consider classified is find-

ing its way into the hands of journalists, diplomats and business executives. In partic-ular, in Hong Kong, where the China-watch-

ing community is enormous, the contents of

purported "secret documents" or internal

wanted stability, security and a good place to educate his three sons. When he turned over

\$120,000 to a government-sanctioned investment fund specializing in real estate, he expect-

Years later, he found out where his money

had gone. Instead of building shopping centers in Vancouver, Mr. Wu's investment had been

funneled into a gold mine nearly 1,000 miles away. The mine, in the province of Saskatchewan, subsequently declared bankruptcy. Mr. Wu now works full time on a \$25 million

lawsuit attempting to recover his funds and those of 230 other families.

lost. Sophisticated investors for the most part,

the immigrants know there are few guarantees

in the world of risk capital. Their complaint is that their money, which the brochure said would be invested in real estate, was invested in

a much more speculative venture.
"We selected an orange, we got an apple,"
Mr. Wu said. The suit is directed against man-

See VISAS, Page 2

Their complaint is not that their money was

ed a decent return.

politics and social issues. His wife was sen-tenced to six years, and two others connected

'HORIZONS TO PEACE ARE OPEN'

Israeli Government Approves Self-Rule for Jericho and Gaza

By Clyde Haberman

JERUSALEM — With hopeful forecasts of a new era for the Middle East but also with angry warnings of danger from several thousand protesters, the Israeli government formally ap-proved a draft agreement with the Palestinians early Tuesday that Prime Minister Yitzhak Rabin said could be signed at peace talks resuming in Washington later in the day.
Sixteen ministers voted in favor, and two

In Tunis, a senior official of the Palestine Liberation Organization also said that the two sides were on the brink of a major breakthrough and would be able to announce a deal in the next day or two.

The core of the agreement would create within months a form of Palestinian self-rule in Israeli-occupied territories, starting with the troubled Gaza Strip and the small West Bank city of Jericho. Signing the accord would clear the way, Israeli officials say, for a PLO renunciation of its calls for Israel's destruction and for Israeli recognition of a group long reviled as a

The horizons to peace are open," Mr. Rabin told members of the parliament from his gov-eming coalition before his cabinet met for a long evening of discussion on the draft agree-

and top PLO officials.

"There is a stirring in the entire Arab arena in their readiness to make peace," the prime min-ister continued. "Not that there aren't obstacles, not that their aren't difficulties. But I'm convinced that the borizons to peace are open."

Despite the public optimism, some officials cautioned that potentially tough negotiations still lay ahead in Washington on important details that ultimately might determine success or failure. These include questions about the extent of a planned Israeli troop pullback from Gaza and Jericho and the speed with which the two sides will move from what effectively is a pilot project to broad Palestinian authority across the territories.

Both sides also got a taste of the hard opposition each is certain to face in the coming weeks and months from within their own societies as they head into uncharted waters that make many Israelis and Palestinians hesitant and

Palestinian hard-liners accused the PLO of abandoning hopes for a Palestinian state by accepting limited authority for now over only Gaza and Jericho. In Damascus, a radical guerrilla leader, Ahmed Jebril, issued a barely veiled threat to assassinate Yasser Arafat, the PLO

had been worked out at secret meetings held in chairman, saying that "he personally and those recent days by Foreign Minister Shimon Peres who are with him are to pay the price."

In Jerusalem, several thousand anti-government demonstrators rallied outside the prime minister's office as the Rabin cabinet convened

Monday night, a protest that turned unruly at times as people scuffled with the police and in going to jail.



Occupied by Israel

Jewish settlers in the territories, who feel most immediately threatened by the sudden move toward a peace accord, pledged a cam-paign of civil disobedience, even if it means

And at an often-raucous session of the parhament, rightist lawmakers led by the opposition Likud party hooted down Mr. Peres as he defended the draft agreement, accusing both him and Mr. Rabin of having lied to the Israeli people by dealing with the PLO and of having paved the way for an eventual Palestinian state that would imperil Israeli security.

"There is one asset that you must not trade in, and that is the homeland itself," said Benjamin Netanyahu, the Likud leader. "Nobody gave you a license to do so. Nobody will give you a license to do so."

But Mr. Peres, his voice occasionally rising in anger, insisted that the Labor-led government had lied to nobody. It was elected last year on a campaign pledge to reach a peace agreement with the Palestinians and other Arab parties. and that, he said, was what it was starting to do. Moreover. Mr. Peres insisted that what was being arranged was a five-year period of Palestinian self-rule and not a state, all along the lines of the Camp David accords that Israel

Radical Threatens Arafat and Sees Civil War

BEIRUT - A radical Palestinian guerrilla leader warned Yasser Arafat on Monday that he could face assassination over a proposed agreement with Israel and said that the pact would spark a Palestinian civil war.

The leader, Ahmed Jebril, and other Palestinian hard-liners and Muslim fundamentalists condemned the proposal as a catastrophe. It would give the Gaza Strip and the West Bank town of Jericho a special autonomous status.

The warnings came as Mr. Arafat, chairman of the Palestine Liberation Organization, left Tunis on a tour of Arab countries to explain the proposed agreement, which he described as a historic turning point" for the Palestinians. But the two main components of the PLU aside from Mr. Arafat's Él Fatah, the Popular

Front for the Liberation of Palestine and the Democratic Front for the Liberation of Palestine, rejected the plan.

Hamas, warned that an accord could start a civil war in the occupied territories. The funda-mentalist group is the main rival of the PLO in the Israeli-held West Bank and Gaza Strip. "This project opens the door wide to inter-

Palestinian fighting and civil war because it does not fulfill their aspirations and liquidates their cause. Mohammed Nazzal, the Hamas representative in Jordan, said of the accord. We can never be a party to such an agree-

ment that has no consensus and spells doom to our national aspirations," he said.

A statement by Mr. Jebril, leader of

Popular Front for the Liberation of Palestine-General Command, said: "While we remind Arafat of the fate of Sadat and Sartawi and others, we remind him that he personally and And the Islamic Resistance Movement, or those who are with him are to pay the price. Tomorrow is never far away.

But a spokesman for Mr. Jebril, head of the Popular Front for the Liberation of Palestine-General Command, said later that the warning, issued in Beirut in Mr. Jebril's name, did not constitute a direct threat to kill Mr. Arafat.

"We are not making of ourselves a judge or a court," the spokesman said. "We did not mean that we will do this. This is up to the people to

Muslim fundamentalists assassinated President Anwar Sadat of Egypt in 1981 after the country's 1979 peace treaty with Israel, Issam

parliament-in-exile, was assassinated in a Por-tuguese hotel in 1983. Responsibility for his killing was claimed by the Fatah Revolutionary Council led by Abu Nidal, who threatened to kill Mr. Arafat in 1974 and was sentenced to death and expelled from El Fatah.

Palestinian sources said the assassination threat Monday was believed to be the most direct made by Mr. Jebril against Mr. Arafat. Mr. Jebril, a former Syrian army officer, said Mr. Arafat by agreeing to the "Gaza-Jencho

first" proposal was preparing for a civil war among Palestinians inside the occupied territo-"We urge our heroic Palestmian people in-

See PLO, Page 6

U.S. Army Raid In Somalia Nets In May, a man who had provided The Washington Post with copies of articles from "restricted circulation publications" was sen-**UN Aid Workers**

By Donatella Lorch New York Times Service

NAIROBI - In an inauspicious beginning, elite U.S. Army Rangers mounted their first major operation in Somalia early Monday, dropping from helicopters and storming several Mogadishu houses only to find one deserted and another full of United Nations workers whom they tied up and briefly detained, UN

and Pentagon officials said. UN military officials insisted that the raid was not bungled. A UN military spokesman in Mogadishu, Major David Stockwell, said that the houses were the intended targets and that the raid was technically a well-executed success. He said there would be more such raids in the

There were no casualties reported, and Mogadishu remained calm throughout the day.
"We searched the right buildings, not the
wrong ones," Major Stockwell said. "We used very aggressive breaching techniques in order to accomplish the mission and safeguard UN forces. We are absolutely not embarrassed. We

will not apologize for it."

The UN workers were in an area of the city that they had been told to evacuate, Major

Relief workers from a French aid agency. whose building was also stormed, were angry about the attack, underscoring the mounting tension between aid workers and the UN mili-

"It is out of the question that the military use a humanitarian agency as a perimeter for one of their operations," said Patrick Seyeller, a work-er with the French agency who witnessed the attack. "We are totally against this type of

While the State Department, the Pentagon and Clinton administration officials tried publicly to play down the raid and insisted it was a success, several said privately that they were embarrassed over the operation.

One State Department official said that only the professionalism of American troops had See RAID, Page 2



HANDLING A DEADLY THREAT — A Bosnian Serb clearing an anti-personnel mine Monday near the northern town of Doboj. With talks set to resume in Geneva. the United States said it would provide troops if a fair accord was reached. Page 6.

Kiosk

No ANC Censure For Torturers

JOHANNESBURG (WP) - The African National Congress, seeking to rid itself of a scandal, apologized Monday for past cases of torture and summary executions inside its former guerrilla camps, accepting "collective responsibility" for the abuse.

But the scandal showed few signs of abating as the ANC sidestepped the tough question of punishing the violators.

Instead of taking disciplinary action against those found guilty, the ANC called for the establishment of a "truth commis-sion" to investigate all rights crimes, including those committed by the government.

Books Chess		Page 5. Page 5.
Dow Jo Up 3.36		Up 0.12%
The Dollar	Mon. close	Previous close
DM	1.672	1.664
Pound	1.4931	1.505
Yen	103.80	103.80
FF	5.8475	5.8255

It's Not Easy Behaving Well in France, Critics Say

By Christopher Petkanas

PARIS - If you've ever wondered, but didn't know whom to ask, what to wear to a haut bourgeois French cocktail party (as opposed to a haut bourgeois French wedding), whether to bring or send chocolates or flowers to a 7th-arrondissement hostess or how to ask for a drink as a guest in a French household when, bizarrely, absolutely none have been

forthcoming, there is help at hand.

Since May 1992 Japanese women from

honnes familles who have time on their hands and an almost unreasonable interest in French mores - especially those that govern the tricky institution of the table - have been attending courses in flower arranging, decoration, architecture, art history, music (under the heading "The European Romantic Soul"), traditional Lenotre-style pastry making, wine, fashion and politesse at the 18th-century Château de la Roselle in Cellettes, near Blois, in the Loire Valley. In Paris, the Culture Crossings courses orga-

nized by an American, Polly Platt, address

some of the same questions, but posed by a different audience: U.S. Embassy employees and executives from companies such as General Motors, Apple Computer and Coca-Cola One of her seminars tackles "the sacrament of the meal in France," embracing the business lunch and the dinner party. The slightly tumbledown but stylish weille famille quality of the rue de Varenne apartment out of which she teaches seems calculated to assure her groups that they

(Continued on Page 7)

Arrest for Cocaine Gets Bad Reviews for a Flamboyant Japanese Movie Mogul

By Andrew Pollack

New York Times Service TOKYO - The flamboyant Japanese movie mogul and publisher who co-produced the short-lived Broadway musical "Shogun" could face the unraveling of his empire following his arrest on suspicion of cocaine amageing.

The seizure of Haruki Kadokawa, president of Kadokawa Publishing Co., has caused a sensation in Japan, a nation with only a small drug problem and little tolerance for narcotics

his Tokyo none as still in custody on suspicion ciates and co-workers appear to have already. The distributor of one of this summer's most

that he ordered an aide to buy cocaine for him in Los Angeles. On Monday, the case was given to prosecutors for probable indictment. Mr. Kadokawa has denied trying to bring

cocaine into Japan, according to the police. Mr. Kadokawa, 51, has produced dozens of films and directed several, including "Heaven and Earth." a big-budget 1991 samurai war drama that was a lit in Japan, although it lared poorly in the United States. He is also known for co-producing the 1989 Broadway production of "The Threepenny Opera" star-

ring the rock singer Sting.

Even though Mr., Kadokawa has not been Mr. Kadokawa was taken by the police from Even though Mr. Kadokawa has not been his Tokyo home at about I A.M. Sumlay for formally charged, let alone convicted, his asso-

written him off and are distancing themselves from him as fast as they can.

Executives of Kadokawa Publishing held an

emergency meeting Monday and decided to push for Mr. Kadokawa's removal as president of the company, which was founded by his father. The executives decided to take out a newspaper ad apologizing for the incident and to suspend all other advertising for the time being as a way of expressing the company's

The Ministry of Education is reported to have started a review to determine whether the company is still fit to publish school text-

movie from the theaters a month earlier than expected because it was produced and directed by Mr. Kadokawa. The movie, "Rex," about a girl and a haby tyranosaur, capitalized on the dinosaur fever created by the release of the American movie "Jurassic Park."

Mr. Kadokawa's arrest has also fanned fears that Japan might be developing a drug habit, following in what are seen here as the decadent ways of the United States, with its attendant problems of crime and industrial decay.

In an editorial Sunday, the Asahi Shimbun

a major daily newspaper, said the incident "should be taken as a warning of the possible spread of drug contamination throughout Jap-

successful movies said it would withdraw the anese society in the future." The Nihon Keizai Shimbun, a business newspaper, said that Japan was at a "crossroads" and that it was unclear whether an "invasion" by international drug cartels could be stopped at the shore.

This may be overreacting. The amount of cocaine seized in arrests here was a bit less than 50 pounds (23 kilograms) in 1991. In the United States, yearly seizures are measured in tons, and the amount that year was 120 tons, or roughly 5,000 times as much as in Japan, according to United Nations figures.

But the number of people arrested on cocaine charges has been growing steadily in recent years and increased to 133 in 1992 from 110 the year before. A 1993 white paper by the

ca drug cartels viewed Japan as a potentially large but untapped market and were trying to expand their sales here.

The Kadokawa affair began on July 9 when Takeshi Ikeda, a photographer for Kadokawa Publishing, was arrested at Tokyo's Narita Airport as he was returning from Los Angeles. The police say he was carrying about 80 grams (2.8 ounces) of cocaine, with a street value of about \$50,000.

The police said Mr. Ikeda made five trips to Los Angeles in the last year and was buying cocaine on the instructions of Mr. Kadokawa. The publisher is suspected of using the drug himself and of distributing it to associates.

From Bad to Worse? Jackson's Tie to Kids as Liability

By Megan Rosenfeld

WASHINGTON - Michael Jackson has long been a man of many obsessions. For years his fans have known about his fascination with animals and the exotic species he owns, and his concern about his looks and his health. Until recently, his love for children and the trappings of childhood gave him the image of an ec-

centric but innocent philanthropist. But his preoccupation with children threatens to become the Achilles' heel of his trademark loalers.

Regardless of the allegations of sexual abuse made by a 13-year-old Los Angeles boy, it seems clear that there are two sides to Mr. Jackson's love for kids. There is a generous, joyous side to this obsession. but there is also a more confusing one. This passion, rooted in his turbulent childhood, may have led to his most excruciating moment; his best defense is that he became a tempting target made

Several youths have come forward to proclaim having had friendships with Mr. Jackson, 35, when they were 10 or 11

or 12, and to say that nothing sexual happened. They speak, they say, in his defense. All they did was play together, buying toys, having water fights, spending the night in the same bed, for fun. But was a they defend him, they raise questions. even as they defend him, they raise ques-

"What man has had I I-year-olds in his home staying with him and staying in his bed?" said Joan Johnson, a social worker in Los Angeles, who has worked with child abuse victims. "People like me go. What is going on with this guy?

Until now, public interest in Mr. Jackson's attachment to children has been nothing more than curious. His charities have ranged from the large (47 tons of supplies for Bosnian children) to the personal (visiting a child who had been mauled by dogs). He had two hospital beds installed in the movie theater on his ranch so that visiting kids too sick to sit up can watch the show - usually a Dis-

"One of my favorite pastimes is being with children — talking to them, playing with them in the grass, he told an inter-

"They notice everything," he wrote in "Moonwalk," the 1988 book about himself. "They aren't jaded. They get excited by things we've forgotten to get excited about anymore. According to documents filed by the

Los Angeles Department of Child Services, the 13 year-old who has made the charges said that the singer called him every day for long conversations, that he bought him toys and took him to Las Vegas, where they watched a tape of "The Exorcist." The boy said he and Mr. Jackson had been so scared by the movie that they had slept in the same bed, and had done so other times at both of their homes. And that after several of these sleep-overs Mr. Jackson began kissing him and ultimately engaged in sexual

Aside from the sexual allegations, the story is consistent with those told by other boys about Mr. Jackson.

Brandon Adams, a young actor now 15, was 10 when he played the young Jackson in the video "Moon-

viewer for Melody Maker magazine in walker." For almost two years, Mr. Adams has told reporters, he was a "special friend," invited to travel with Mr. Jackson, dress like him and spend the night. Nothing untoward happened between them, he says.

> Wade Robson is 10 and Australian; he met Mr. Jackson after winning a contest and was subsequently flown to the United States to be in a Pepsi commercial. He has also spent the night with Mr. Jack-son, who put Wade's mother. Joy, on his payroll for a time.

In various accounts, the boys who have spoken publicly describe doing "fun stuff" with Mr. Jackson, such as waterpistol fights, pranks, food fights. And Mr. Jackson's ranch 120 miles (about 190 kilometers) northwest of Los Angeles certainly sounds like a boy's paradise.

There are 35 video games, an Indian village, a three-car train, decorated golf carts, a lake with Jet-Skis and a ferry boat, every toy conceivable, a vast kitchen where monogrammed cookies are baked, a staff of servants to clean up, a horse corrals, a basketball court and some dangerous wild animals.

Ms. Johnson, the social worker, said that if she had heard of an adult's cultivating close relationships with a number of young children and sleeping in the same bed with them she would immediately have launched an inquiry.

"The red flags would be flying for me high and fast," she said, adding, "Why isn't he associating with his peers?"

Other people do not leel so alarmed.

I totally believe 100 percent in Michael's integrity," Elizabeth Taylor said in an interview with Newsweek mas en route to Singapore to join Mr. Jackson, who has been performing there.

J. Randy Taraborrelli, who has written a biography of Mr. Jackson, said: "We've always known that Michael was friendly with children. For it to be used against him now is just unfair."

A psychiatrist who asked not to be identified said: "He's a guy who has had a lot of trouble figuring out who he is supposed to be, and people like that are often more comfortable with children be-

Aide Had Sought To 'Buy Time'

LOS ANGELES - Michael Jackson's security consultant said he had delayed telling the police about an alleged extortion attempt on the singing star for more than two months in order to "buy time" and "discredit" those making allega-

tions against the entertainer. "I knew that time was on my side," Anthony Pellicano said. The longer the negotiations went on, the more discredited they are.

Mr. Jackson is being investigated by Los Angeles authorities after a 13-year-old boy alleged that the singer turned their friendship into a sexual relationship, Mr. Pellicano and Mr. Jackson's attorney, Howard Weitzman, have told the media that the accuser's father. a Beverly Hills dentist and onetime screenwriter, had demanded \$20 million to advance his

on Aug. 17 declining the offer. On the same day the father

called off a concert Monday after suffering a severe headache and becoming nauscated as he prepared to go on stage. The show was rescheduled for Wednesday. (WP, AP, Reuters)

Mr. Pellicano said that he had sat "in awe" at a meeting

Aug. 5 as the dentist gave a "spiel like a salesman telling me how this would benefit Mr. Jackson tax-wise." When the offer was refused.

Mr. Pellicano said, the father ordered his attorney to report the child's allegations. Mr. Pellicano says he then offered the father's attorney a "\$350,000 onetime development deal" in order to trap him. He says he received a letter from the lawyer

took his son to a therapist, who reported the allegations to the authorities in Singapore, Mr. Jackson

Red Cross Appeal on Civilians in War

GENEVA (Reuters) - The International Committee of the Red Cross

denounced the savagery of modern warfare on Monday and appealed to governments to uphold humanitarian law protecting crylians.

The call was made by the organization's president, Cornelio Sommaruga, at the start of a three-day conference organized by Switzerland that is due to draft a declaration affirming compliance with the Geneva Conventions of 1949, which safeguard the rights of prisoners and civilians during armed confirm during armed conflict.

"Tragically, Idday war is almost everywhere," Mr. Sommaruga, said in an address to delegates from 160 countries. He added: "Entire civilian promissions have been added to the countries of the c populations have been displaced, becoming victims of revenge, harassed, threatened by famine, and struck by indiscriminate bombings."

Greek Aide Charged in Wiretapping

ATHENS (Reuters) — A former senior side of Prime Minister Con-

stantine Mitsotakis was charged Monday in connection with a wiretapping scandal rocking Greece's conservative government.

Court officials said the former aide, Nikos Gryllakis, who was security advices in the mittal. adviser in the ruling New Democracy Party until last week, was charged with mastermeding a plot to tap the telephones of opposition politicians and party rivals of Mr. Mitsotakis from 1988 to 1990.

Senior prosecutor Achilleas Dafoulis also charged Mr. Gryllakis, a retired general, with longing state documents but gave him 20 days to prepare his defense. Mr. Gryllakis will testify before the prosecutor on Sept. 20, and Mr. Dafoulis will then decide whether to jail him pending trial.

Haitian Prime Minister Takes Oath

WASHINGTON (AP) - Robert Maival, a 50-year old businessman, was sworn in Monday as prime minister of Haiti by the man who chose him for the job, the deposed president, the Reverend Jean-Rettrand

"My government has one goal: Restore democracy as of today," Mr. Malval said, speaking five days after his selection as prime minister received final approval by the Hattian parliament. The swearing in took place at the Huitian Embassy in Washington so that Father Aristide, who has been in exile since a military takeover in 1991, could attend.

Under an agreement worked out by international mediators. Father Ariside will return to Haiti as president on Oct. 30. "Today is a sign that the return to democracy will become a reality," he said Monday.

For the Record

A total of 76 people died in Tajikistan when a plane crashed that was carrying more than twice its permitted number of passengers, officials said Monday. The Yak-40 passenger jet was carrying 80 people, nearly 50 more than its capacity, when it crashed over the weekend after takeoff near Khorog capital of the remote Gorno-Badakhshan region (Reuters)

Correction

Because of a transcription error, some words were omitted from the "What They're Reading" feature in the Leasure section of Friday's editions. Sir Peter Ustinov's comments regarding Sheridan Morley's forthcoming "Robert My Father" should have read: "I am reading it slowly, not because it is in any way tough going but because I wish to drag out the pleasure. Robert himself might have observed that vintage port is not drunk in order to quench the thirst."

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COLUMN TO SERVE

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TRAVEL UPDATE

Fires Blacken Mt. Olympus and Capri

ATHENS (AFP) — Fires are still devastating many of southern Europe's most scenic sites, including Mount Olympus in Greece and the Italian island of Capri, fire-fighting services said Monday.

Two Greeks died in forest fires over the weekend, bringing to 18 the number of people killed in fires in Greece this month, while 15 tourists number of the property of the pr

were injured in a blaze on Capti on Saunday.

Greek fire officials said that in addition to fires on Mount Olympus and at Trikkala, blazes were still raging in Samos, in Arcadia, southern Greece, Metsovo; in the northwest, and the northern Kozani region. In Italy, blazes were still out of control in the south of Capit. Fires also continued in the island of Sartinia, the Abruzzi Mountains and the

southern region of Calabria. The German airline Laithansa said it was adding a third weekly flight between Frankfurt and Alma-Ata, Kazakhstan, and a new nonstop flight between Hamburg and St. Petersburg. The additional flights to Aima-Ata will begin on Sept. 12. Hamburg-St. Petersburg service will now consist of four flights a week beginning Oct. 31.

(Reuters)

Tolls on French autoroutes are to rise by an average of 3 percent from Wednesday, the association of companies administering French autoroutes said Monday.

The Effet Tower greeted its 150 millionth visitor on Monday — Jacqueline Martinez, 33, who was given a red Citroen ZX coupe among

Soviets 'Bear No Guilt' in KAL 007 Disaster, Russia Finds

By Margaret Shapiro

MOSCOW --- An official Russian commission said 007 ten years ago was caused by "a series of blunders and mistakes" by pilots of the commercial aircraft and that the Soviet Union was not at fault.

The findings basically track those issued in June by the International Civil Aviation Organization, but the Russian commission was more sweeping in its exoneration of Soviet authorities, saying they bore no guilt in the disaster on Sept. 1, 1983, in which 269 people were

"It turns out that the Soviet Union bears no guilt for this incident," said Sergei Filatov, chief of staff to President Boris N. Yeltsin. "The tragedy was the result of a whole chain of mistakes and coincidences, and not deliberate or malicious intent.

The International Civil Aviation Organization reported that the KAL 007 crew had allowed the plane

to stray far off course, but it also found that Soviet set a faulty course minutes after taking off from

Singapore fans signaling their disappointment Monday that a Jackson concert had been postponed until Wednesday.

Mr. Yeltsin after he visited Seoul and called the KAL tragedy "the criminal act of a criminal regime." He turned over to Korean authorities the plane's black box, which Soviet authorities had long denied

day that when KAL 007 strayed deep into Soviet airspace. Soviet air defense forces were convinced that it was an enemy spy plane and a dispatched a fighter to intercent it.

Mr. Filatov, the head of the commission, said Mon-

When the passenger plane did not respond to warnings, the fighter fired a missile, hitting the plane in the rear and killing all on board.

At a news conference on Monday, Mr. Filatov and other commission officials cited several serious errors

made by the Korean crew that lead to the tragedy: It

authorities had destroyed the plane despite "some doubts about its identity."

Anchorage, Alaska, that took it over Soviet territory; by the conviction that the airspace of the U.S.S.R. had it failed to properly report the plane's position as it.

The Russian commission was set up a year ago by

Anchorage, Alaska, that took it over Soviet territory; by the conviction that the airspace of the U.S.S.R. had been invaded by an intruder air force plane."

He expressed his condolences to the lamilies of the signal from the approaching Soviet attack fighter.

At that point, "the fighter received the order to attack the Boeing 747, which was thought to be an intruding RS-135 spy plane," said Rudolf Teirmurasov, head of the Russian Flight Safety Commission, who participated in the news conference with Mr.

Mr. Teirmurasov said that after the plane was attacked it ascended briefly and then started a downward movement. The descent lasted about nine minutes. The plane moved along "a rather gentle spiral"

before crashing into the sea, he said.

The Russians defended the air defense forces against the contention of the International Civil Aviation Organization that, harboring some doubts, they should have followed procedures to intercept a civilian not military, aircraft.

Mr. Filatov said the military had been "motivated

victims but turned aside questions about whether Russia, as successor state to the Soviet Union, should pay compensation to the relatives of those killed in the tragedy. Earlier this month, South Korea made a formal

request for compensation. Russian officials at that time said that any remuneration should be made by the airline, Korean Air. On Monday, when asked about compensation, Mr.

Filatov said only that it was clear from the commis-sion's investigation that "the Soviet Union is not to blame for this incident." He said that in recognition of the tragedy, the foundation for a new monument to the victims would

be laid on Wednesday in Sakhalin, near where the plane went down.

The Associated Press announced Monday that they were increasing police protection in southern Thuiland after a series of violent attacks and that schools would close weeks early for the semester break for the safety of

In the latest violence, a passeninces. No one was wounded.

half a dozen people have died, began with the burning of more than 30 schools in the south on Aug. 1-2. A university student died in an am bush of a passenger train, and a monk was killed by a grenade thrown into a Buddhist temple compound during evening prayers.

ment amnesty program.

as "not a serious fiasco," but an operation that was "not particular-ly auspicious for the Rangers."

than a dozen helicopters and about 50 Rangers and soldiers from the army's quick-reaction force. A total of 400 Rangers, who are

fugitive Somali clan leader, General Mohammed Farrah Aidid.

and rockets. Monday raid, said that although

reports were either not good enough or outdated.

There were conflicting reports as to the purpose of the raid. Some officials said it was in response to mortar attacks on the airport Sunday evening that slightly wounded four Rangers. Others said the military had been after General Aidid or his followers.

The raid began at about 3 A.M. belicopters swooped down in a neighborhood in southern Mogadishu in what appeared to be a precisely prepared attack.

They shot out the buge spotlights on the roof of the clearly marked French relief compound, said Mr. Seveller, who was in the house at the time. And then, under the cover of darkness, soldiers dropped down on ropes into the compound and into other nearby compounds, us-

UN compound, blowing out windows and doors with percussion bombs. Three foreign UN workers and five Somali employees were handcuffed and detained. The soldiers refused to release them even

ed showed that military intelligence ous Aidid territory.

Protest in Nigeria Beginning to Bite

> Compiled by Our Staff From Dispatches LAGOS - Service stations ran out of fuel and air traffic was grounded nationwide on Monday as a three-day-old anti-government strike began taking its toll on the

Thousands of passengers were stranded at the country's 17 domes-tic and international airports because of fuel shortages caused by oil workers' strikes and walkouts

by air traffic controllers. General Ibrahim Babangida touched off the unrest by voiding the results of a June 12 presidential election that was to return the mation to democracy after a decade of

military rule, General Babangida retired Thursday after eight years in power and turned over the government to a widely opposed group of handpicked supporters.

The Nigerian Labor Congress, which is made up of 41 unions and says it has 4 million members, began a strike on Saturday in an effort to force out the new govern-

gress official, said General Baban- central region.

gida had "installed people who are answerable to him only." Many of Nigeria's labor leaders have gone into hiding to avoid ar-The effects of fuel shortages were

felt nationwide. Soldiers and policemen were used to control crowds who mobbed gas stations. Military air traffic controllers were pressed into service at airports, but the numbers were not

enough to offset the walkouts. At the two Lagos ports that han-dle 60 percent of the country's imports and exports, not one oil tanker has been loaded since the strike began on Saturday. Oil provides 80 ercent of government revenue.

The interim government, headed by Ernesi Shonekan, a businessman, has promised to hold new elections early next year.

The ballot canceled by the government was apparently won by Moshood K. O. Abiola. While previous protests have largely been concentrated in Mr. Abiola's ethnic stronghold in the southwest, there bent. were reports of participation in the Ezekiel Anzaku. a Labor Constrike in the more ethnically mixed

VISA: Immigrants to Canada File Suits on Investments Other countries, including the

agers of the investment fund, but

Mr. Wu believes Canada played a role as well. "The government was not responsible for our loss," he said, "but we feel the government had an obligation to ensure the honesty of the fund's manage-Other lawsuits filed by immi-

grant investors across Canada also

allege mismanagement -- 30 per-

cent commissions, for instance, or

money raised for buildings that were never built or conflicts of interest between managers of investment funds and managers of projects where the funds were invested. The government has rewritten the regulations overseeing the program raising the penalties for abuses and tightening federal over-

sight. Still, applications for the pro-

gram have fallen off, and those who lost money must try to recover it

Mujahidin Free 5 Captives

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EMINASSON. VERNING RESIDENT OF HIS STANDARD RE

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The Assertated Press DUSHANBE. Tajikistan -Four Russian soldiers and a Kazakh border guard were released unharmed Monday, more than two weeks after they were taken hostage in Tajikistan by Alghan mujahidin and taken across the border to Afghanistan.

under the laws in effect when they

signed up. The history of Canada's buy-avisa program highlights an irony of immigration policy in many developed countries: The nations do not particularly want lots of people. but they like getting lots of money. In particular, they want "risk capi-- funds for projects too risky for a standard bank loan but potentially worthwhile, such as the start-

up of a small business. These are investment vehicles so there is risk involved," said John F. Martin, director of business immigration policy for Public Securi-Canada, the government agency that oversees immigration. Emphasizing that the abuses concern a minority of the investment funds. he said: "The program is built around commercial risk. These investors are told in interviews to look at the investments carefully;

the cautions are out there." When the Canadian program began in 1986, it was designed to bring in investment capital. It was modeled after an earlier program under which immigrants set up and operated their own businesses. The new program provided a gateway for wealthy immigrants, presumed to have high levels of skill, who were not yet familiar enough with the Canadian market to manage their own businesses.

United States, set up similar immigration programs using Canada's as a model. In the United States, however, only 753 people in the last two years have applied for 10,000 visas set aside for foreigners willing to invest \$1 million. Mr. Wu chose his fund from a

selection of brochures and other documents in the Canadian Consulate in Hong Kong, Western Ca-nadian Shopping Centres Inc., the literature proclaimed, would put its money into neighborhood shopping centers, convenience stores gas stations to be leased to "prime national tenants." The fund promised to pay investors 10 percent on their money each year. The former official in the province of Alberta's immigration department.

According to the lawsuit filed by Mr. Wu and other investors, Mr. Dutton lent \$17.6 million of their investment to a company named Claude Resources, whose principal business was exploring for gold in the northern reaches of Saskatchewan. Another \$9.5 million eventually made its way to the coffers of Claude Resources, but no gold was ever found. According to the lawsuit, Mr. Dutton walked away with 53.2 million in commissions, sales proceeds and other fees.

To Stem Violence,

ger has was hit by machine-gun fire in Yala, one of three troubled prov-Prime Minister Chuan Leekpai

Closes Schools

BANGKOK - The authorities teachers and students.

said he was cutting short his trip to The recent violence, in which

Some officials have blamed Muslim separatists. But the attacks have mystified many, since the south's various armed movements have been very quiet in recent years because of the success of a govern-

Thailand, Moving RAID: Ranger Success, or Snafu?

Continued from Page 1

prevented casualties that could have "turned an emharrassing farce into a tragedy."

A Pentagon official described it

Major Stockwell would not reveal the precise nature of the twohour mission, which involved more

specially trained for night raids, arrived in Mogadishu on Friday. A UN military official had said they were deployed to help capture the

UN officials say General Aidid is responsible for the ambush slayings 24 Pakistani peacekeepers on June 5. He went into hiding on June 17 and has avoided capture while his followers have besieged the UN forces in south Mogadishu, killing more than 30 peacekeepers and barraging them with mortars

the presence of the UN employees was probably an accident, the fact designated safe area, in a zone the that the intended target was desert- United Nations considers danger-

ing explosives to blow through The soldiers then entered the

UN officials, discussing the after they produced UN passports. Major Stockwell said the workers had been living outside a UN-

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STATESIDE / ANATONY OF A

House Democrate Have Bed News for Clinton

WASHINGTON - President Bill Clinton returns to the legislative battles with a warning from a prominent Democrat that a majority of House Democrats oppose the free trade agreement with Mexico and Canada.

"Up to two-thirds to maybe 75 percent of the Democratic caucus in the House is opposed to this treaty," said Representative David E.

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yard vacation, says he wants Congress to pass the North American Free Trade Agreement by the end of the year. But among the powerful opposition, headed by organized labor, are the second and third-ranked Democrats in the House, Richard A. Gephardt of

Missouri, the majority leader, and Mr. Bonior, the majority whip.

Most Republicans support the trade accord, which was negotiated
during the Bush administration. But some conservatives such as Patrick J. Buchanan join Democrats in saying it will exacerbate the loss of American jobs to Mexico. Ross Perot, who ran as an independent in last year's presidential campaign, is heading a nationwide campaign against the treaty.

Mr. Bonior, in a television interview, called it a "lossy treaty" and

said Mr. Clinton could not change his opposition to it.
"This treaty is premature," he said. "It was negotiated in a way which will harm American workers; it will not help Mexican work-

ers, because of their low-wage society and the corruptness of their political, economic and social structure." Mr. Clinton said Monday that his strategy would be to ask

legislators "to read the agreement and wait until they see the implementing legislation."

He added, "I think if that happens, we can prevail. Latin America is the second-fastest-growing part of the world. Mexico is just the beginning of this process and I think it means more jobs for

The agreement would lower tariffs and remove other trade restrictions among the United States, Mexico and Canada, Mr. Clinton came out for the plan during the presidential campaign after promising he would obtain side-agreements on protecting jobs and the environment. The agreements were reached earlier this month. (AP)

Supreme Court is Still Publicity-Shy

WASHINGTON — For the second time this year, the Supreme Court is agitated over the release of court materials that allow the public a rare glimpse into an institution wedded to secrecy and

The justices are considering "legal remedies" to Peter Irons's imminent distribution of a tape and book set of oral arguments in 23 famous cases at the court - including Roe v. Wade, which made abortion legal, and the Pentagon Papers case.

The one-hour oral arguments have been recorded by the Supreme Court since 1955, and the tapes are open to the public at the National Archives. But before Mr. Irons copied the tapes, he signed a statement saying he would use them only for his private work. Mr. Irons is a lawyer and political science professor at the University of

California at San Diego.

The court's public information officer; Toni House, said the justices expected to take action within the next two weeks. She would not claborate. The court's options range from dropping the matter or issuing a strong public admonition to suing Mr. Irons on grounds

that he broke the terms of the Archives arranger Ms. House said the justices were disturbed that Mr. Irons promised he would use the tapes only for his private work and then turned them into a commercial venture. The six-tape set, which costs \$75, is

being marketed mostly to schools. Mr. Irons, in a telephone interview, contended that the statement he signed at the Archives did not constitute a valid contract.

The current dispute recalls the controversy in May when Chief
Justice William H. Reinquist rebuked the Library of Congress for

making public the files of the late Justice Thurgood Marshall.

Quote/Unquote

President Bill Clinton, asked at the end of his vacation on Martha's Vineyard if he was ready to return to Washington to do I'm a little spoiled now."

Away From Politics

 A doctor in Austin, Texas, says he is treating two lesbians who have HIV, the virus that causes AIDS, and who may have become infected through sex with women. Transmission between lesbians is extreme-ly rare; but experts say HIV can be transmitted by vaginal secretions. es enguifed an under-construction observation tower in Las Vegas, forcing hundreds of gamblers to flee the Las Vegas World casino and hotel. No one was hurt.

• Preservationists of the Civil War Trust say they will fight a plan by the California developer Lee C. Sanonis to build a Formula One racetrack at the site of the largest cavalry clash of the Civil War, the Brandy Station battlefield in Culpeper County, Vorginia.

 Law enforcement authorities in New York City are searching for six Law enforcement authorises in New York City are searching for six more associates of Goo-Liang Chi, the reputed leader of the Fuk Ching gang who was arrested in Hong Kong and who was deeply involved in samugling Chinese immigrants into the United States.
 The sweep has already resulted in 19 arrests.

The U.S. Air Force immehed a Delta rocket into space carrying the 22d in a series of advanced military navigation satellites. The launching from Cape Canaveral, Florida, was moved up by a day to avoid possible severe weather conditions.

 With two hours of invocations and blessings, religious leaders from every corner of the globe have opened a Parliament of the World's Religious at the Paimer House Hilton Hotel in Chicago to discuss such topics as violence and AIDS. Buddhist monks, Hindu swamis and Muslim imams, along with Sikhs, Zoroastrians, Bahais, Theosophists and goddess worshipers, joined figures such as Cardinal Joseph Bernardin, the Roman Catholic archbishop of Chicago, for a ial of the World's

gathering of 6,000 participants to mark the centennial of th Parliament of Religious, which was also held in Chicago.

On Bungled Cult Raid, Senior Aides Passed the Buck

By Stephen Labaton New York Times Service

WASHINGTON - Senior officials of the agency that conducted the botched raid on a religious cult near Waco, Texas, early this year left the major decisions to agents who had no training in large paramilitary missions, investigators have found.

The findings, part of an internal review to be made public in mid-September. determined that the director of the agency and other senior officials made misleading cult were killed.

Investigators and officials involved in

By Robert Pear

New York Times Service

WASHINGTON — Less than a month be-fore President Bill Clinton is to unveil his

proposal for a national health insurance pro-

gram, disputes have broken out among admin-

how tightly to limit overall health spending.

Officials said the White House, seeking to

avoid new taxes, was seriously considering a

proposal to squeeze more than \$100 billion in

additional savings from Medicare, the federal

health program for the elderly, by holding

down increases in the program through 2000. The savings, along with a possible increase in

the tax on cigarettes, would help pay for Mr.

Clinton's promise of guaranteed coverage for

In addition, some White House officials have

proposed setting tight limits on the growth of all health spending, public and private, so that

by 1997 it would grow no faster than the economy as a whole. Health spending is now growing

Under the plan, a new government agency, the National Health Board, would establish a

limit on the average yearly health insurance

premium to be paid by employers and workers.

The proposals have provoked fierce debate inside the administration.

"It's not an ideological argument," a cabinet officer said. "We agree on Clinton's general approach to health-care reform. It's an argu-

ment about what is possible -how fast we can

pound down the growth of health spending,

how tight the caps on such spending should be, how big the cuts in Medicare will be."

Ira C. Magaziner, who has coordinated de-velopment of the health plan, argues that sub-stantial cutbacks in Medicare and the proposed

limits on health spending are feasible and real-

But several cabinet officials have challenged that conclusion, including Donna E. Shalala,

secretary of health and human services; Robert

all Americans.

more than twice that fast.

and follow-up of the operation, which be-erupted. gan a 51-day standoff with the cult and its leader, David Koresh.

The review casts new doubt on the future of Stephen E. Higgins, the longtime director of the agency, the Bureau of Alcohol, Tobacco and Firearms, a division of the Treasury Department. For months the Clinton administration has strongly hinted that it would like to replace Mr. Higgins. although it has taken the position that it would await the outcome of the review.

addition to the 4 who were killed when cult

The Clintons at the Martha's Vineyard airport, bidding people farewell after a 10-day vacation on the Massachusetts island.

The Knotty Problems of the Health Plan

E. Rubin, assistant to the president for econom-

ic policy; Treasury Secretary Lloyd Bentsen, and Laura D'Andrea Tyson, who heads the

Mr. Clinton has promised that his plan will not require any new broad-based tax. This vow has forced him to step up his search for other

funds for his proposals, whose exact cost is not

The budget bill signed by Mr. Clinton on Aug. 10 cuts \$55.8 billion from the projected growth of Medicare over the next five years.

doctors and increasing beneficiaries' premiums. Nevertheless, the cost of Medicare is expected

to soar, to \$239 billion in 1998 from \$129

Health policy experts warn that further cut-backs could have unintended effects. Doctors

and hospitals, they say, would try to offset the

loss of Medicare income by raising prices to privately insured patients, thwarting Mr. Clinton's effort to restrain health spending — unless the government prevents such cost shifting

Most of Medicaid, the federal-state program for low-income people, would be folded into the new system under Mr. Clinton's plan.

The White House says the president intends to unveil the plan before a joint session of

Congress on Sept. 22 or a few days later. Ad-

ministration officials have said that under the

plan all Americans will be entitled to a compre-

To help hold down costs, Mr. Clinton will

propose a nationwide system of health insur-

ance purchasing groups to bargain with doc-tors, hospitals and insurance companies for the

But interviews with administration officials

suggest that some basic questions remain in

The plan would require employers to pay at least 80 percent of the cost of health premiums

for their employees. Workers would generally

hensive package of health benefits.

by enforcing limits on all health spending.

imly by curbing payments to hospitals and

Council of Economic Advisers.

yet known.

billion last year.

To end the standoff after 51 days. Attornes General Janet Reno approved a plan to pump tear gas into cult buildings. As that was being done, a fire broke out that killed most cult members, including at least 17 children.

military-style raids. And for many hours

be expected to pay the remainder, up to 20

percent of the premium; the money would be

withheld from their pay.

The government would still incur heavy costs

because it would subsidize insurance for low-

wage workers and for small businesses that

would be available to employers with fewer

than 50 workers if the average wage was less

than than \$24,000 a year. Subsidies would also be available to families with incomes up to 50

percent above the official poverty level (up to

he would set "a national health budget" to impose an overall limit on costs. He now pro-

poses to do that by limiting the annual increase

in health insurance premiums and corporate

The White House documents say that Mr. Clinton's proposal, the American Health Secu-

rity Act, would bring "projected growth in health-care costs in line with growth in gross

Initially, under the Clinton plan, premiums could increase no more than the average of the

increase in gross domestic product for the three previous years. White House documents say.

Mr. Clinton would impose stricter limits or medical spending after the first two years of the new system. "Thereafter," the documents say,

"the inflation factor equals the three-year aver-

age of the increase in the per-capita GDP."

In the last four years, health-care spending

grew an average of 11 percent a year. The gross

may be so strict that the effect will be almost

One cabinet officer, a lifelong Democrat, complained: "This plan is heavily regulatory. It

As a presidential candidate, Mr. Clinton said

\$21,514 for a family of four).

health spending for employees.

domestic product by 1997."

smells like big government."

White House documents show that subsidies

situation, they found.

the mission to go forward even after they. Mr. Higgins out of the office he has held 10

pared for the possibility of the initial raid's going awry and that supervisors had gone ahead with the mission even though they knew the heavily armed and anothernia anothernia and anothernia an statements about what had occurred in the Feb. 28 raid, in which four agents and at least six members of the Branch Davidian

The raid by agents seeking evidence of knew the heavily armed and apocalyptic cult was informed by a mail carrier who least six members of the Branch Davidian

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The raid by agents seeking evidence of knew the heavily armed and apocalyptic cult was informed by a mail carrier who least six members were expecting the raid.

Investigators concluded that the crucial had heard about the raid from a television deeply disturbed by long-standing industries.

The review has found no intentional charges in his agency.

tal problems with the planning, execution members opened fire and a gun battle after the shoot-out, until the FBI arrived, wrongdoing on the part of Mr. Higgins of the operation, which be-erupted. they failed to supervise the operation acc-The raid was led by two special agents, quately. Thus, the administration is con-Philip J. Chojnacki and Chuck Sarabyn. It sidering what one official called the "least was they who made the mistake of ordering painful and most graceful way" of casing

one of the bloodiest. Of the 75 agents decisions to go ahead were hastily made by involved in the raid. 15 were wounded in agents who had no training for large paratured out, was a member of the cult.

Up to 100,000 Ordered To Flee Atlantic Storm

NAGS HEAD, North Carolina - Up to 100,000 people on North Carolina's barrier islands were ordered to evacuate Monday as a hurricane headed toward the cen-

A hurricane watch was in effect from the North Carolina state line, north to the Maryland-Delaware border, the National Hurricane Center said. A watch for much of the South Carolina coast was discontinued. Gale-force winds and high waves were expected to reach North Carolina on Monday.

The evacuation order covers much of the Outer Banks, the chain of fragile islands off North Carolina's coast.

"You get the feeling nothing's going to happen." said Jean Fletcher, who was waiting under relatively calm skies for a ferry on Ocracoke Island to get to the mainland. "But a good run is better than a

poor stand anytime.' Monday morning, the center of the hurricane, designated Emily, was located about 325 miles (525 kilometers) southeast of Cape Hatteras. It was moving west-northkilometers per hour) and that mo-

tion was expected to continue Monday, followed by a turn toward

the north on Tuesday. Maximum sustained wind speed was near 85 miles per hour, and

some strengthening was expected. In Washington, President Bill Clinton met with federal disasterrelief planners and pledged that the government would be ready to respond quickly if the storm struck

We're going to be on top of it with all the resources and effort that we can possibly marshal as quickly as possible," he said.

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domestic product grew 5 percent a year, while per-capita GDP rose 4 percent a year. The administration is shying from explicit price controls on doctors and hospitals. But some officials say the limits on health spending The levees also gave many commu-nities what turned out to be a false INTERNATIONAL BUSINESS SCHOOL ACAM Mari Write, call or fax. Amerikalei 131

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have shown, the levees did not always help and in many instances actually contributed to the damage. system has prevented at least \$250

New Idea for Flooded Midwest Lands: Let Them Be Rivers, a conservation and preservation group that has advocated a new national policy. Traditional the Mississippi, Missouri, Illinois restment. They say their control New York Times Service

best coverage.

Heart Doctor New York Times Service Dwight E. Harken, 83, the father of heart surgery and the creator of intensive care units for critically ill patients, died Friday of pneumonia at a hospital in Cambridge, Massa-chusetts, where he had lived ing levees to protect them....

By removing bullets and shrap-nel from the hearts of some 130 wounded soldiers in World War II without a single death. Dr. Harken became the first surgeon to succeed repeatedly in operating on hearts. In so doing, he shattered the

medical myth of the heart as a organ so complex and vital that surgical intervention was unadvisable. Before, heart operations had been performed only in rare, extreme cases.

D. Harken

Dies at 83,

We discovered that the heart wasn't such a mysterious and mi-the government has already begun-touchable thing after all," he said to fix some of the broken levers.

mought to be the last surviving even contemplating a new apmember of the Buffalo Soldiers, the proach, rather than simply spend-famous black cavalry unit that ing money rebuilding old structought in the Spanish-American tures, reflected how old war, died of kidney failure Sunday assumptions had been shaken in Richmond, Virginia. Mr. Mon Jones Morgan, 110, who was in Richmond, Virginia. Mr. Morgan was part of the unit that joined Teddy Roosevelt's Rough Riders in their charge up Cuba's San Juan revolutionary change this is, said Hill in 1898. Scott Faber, a director at American

WASHINGTON - In the aftermath of the worst flooding in American history, the Clinton administration is seriously considering proposals to convert entire towns and large tracts of farmland into wetlands rather than rebuild-

The idea of buying up towns and leasing farmland would be a sharp break from decades of national flood-control policy that has relied almost exclusively on the construc-tion of levers and dams. But faced with more than \$12 billion in damage and more than 800 levees that either crumbled or were overrun by water this summer, administration officials are looking at alternatives.

The proposals are still in their earliest stage of planning, and no decision has been made whether to pursue them. They might also require some congressional action before they could take effect, and

Still, environmental groups said the fact that the administration was

'I can't overemphasize what a

ly, when we recover from natural isasters, we tend to return to the status quo. The Clinton adminis-tration has taken the first steps to get out front and take preventive steps. They recognize that our reli-ance on engineering solutions has made matters much worse. Now there is an emphasis on nonstructural solutions

For the better part of a century, the White House and Congress have poured more than \$25 billion into dams and levees maintained

and other rivers. The engineers and policymakers billion in flood damage over the ignored the repeated warnings that the levees were actually a mixed blessing: that although they contained some cresting waters, they increased the chances of greater flooding downstream by drying up wetlands, changing the river channel and increasing the force of the

Officials at the Corps of Engineers have argued that no water control system can be perfect and

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Gaza and Jericho First

idea of breaking off a simpler corner of the problem — a quick turnover of some Palestinian self-governing functions in the two places and a measure of Israeli military withdrawal or redeployment. The Palestinians perhaps see it as a way to turn from feuding among them-selves to negotiating with an Israeli Labor government open to at least some of their basic concerns. And after a flurry of back-channel contacts, Prime Minister Yitzhak Rabin said Monday that he believed Israel would sign an historic accord with Palestinians as peace talks resume in Washington.

Gaza is a teeming slum posing for Israel only a tactical question — not whether but how to turn it back to Palestinians who will assume responsibility for order and development. Jericho is a conservative West Bank town free of Israeli settlers and the complications they bring. The tough issue remains how to satisfy Palestinian demands to be moving toward eventual statehood and Israeli demands to make any new self-governing status for Gaza and Jericho a controlled test of

Why not? The broader Arab Israeli peace a halfway-house strategy. But among those talks were stalled. The Israelis gradually got the Palestinians ready for a land-for-peace extalks were stalled.

If this initiative succeeds, as now appears likely, then the Syrians will have their own

Time to Leave Somalia?

millions of starving Somalis is degenerating into an obsessive search-and-destroy operation against supporters of a single warlord. General Mohammed Farah Aidid. U.S. soldiers, once welcomed with smiles, now worry

Americans have not just a right but an obligation to demand that the Clinton administration explain what compelling national purpose justifies such risk to the lives of tration deflected all challenges with stale Cold

". On Friday, Defense Secretary Les Aspin at last offered a serious response. He spelled out the goals that the administration seeks to achieve before withdrawing U.S. forces. But military developments in Somalia, especially the disturbing dispatch of a U.S. military hit team to Mogadishu, threaten to overwhelm Mr.

istration then moved to turn the Somalia

For the first time, Washington agreed to put U.S. troops under United Nations command. Hopes ran high for a path-breaking experiment in collective security. But the UN has made some bad mistakes.

The worst came after a June 5 ambush and

change with Israel, there is an urgent yearning to get the process under way.
It is no accident that Gaza-Jericho surfaced

United States notched up its level of partici-pation in the talks and Secretary of State Warren Christopher directly engaged. Unsure of themselves, distrustful of each other. Israelis and Palestinians both sought the reassurance of a strong U.S. role. Alone among outsiders, the United States is in a position to influence all the regional parties. It seems, for instance, that by its contacts with Syria this summer, the Clinton administration stirred Palestinian anxieties about being left behind, and in that way pre-

reason to define, as they have yet to do, the "full peace" that would let them drag a commitment to "full withdrawal" from the so-far hesitating Iraelis. Gaza-Jeticho could — THE WASHINGTON POST.

A humanitarian mission to deliver food to ambush's presumed author, General Aidid,

about snipers and booby traps.

American soldiers and Somali civilians caught in the crossfire. Until last week, the adminis-War rhetoric about resolve, credibility and tests of will.

Aspin's theoretical exercise.

The humanitarian mission that President George Bush announced to popular acclaim in November was largely accomplished by the first months of this year. The Clinton adminoperation back to the United Nations. An ambitious Security Council resolution in March defined long-term objectives of restor-ing order and rebuilding Somalia's economic

killing of Pakistani peacekeepers. The UN's top man on the scene, Admiral Jonathan flowe, posted a price on the head of the

as a live negotiating option only when the

pared the ground for the current initiative.

thereby shutting him out of political negotiations. Until then the general's participation

had been considered crucial to a settlement. Admiral Howe's misjudgment quickly changed the character of the UN mission. UN forces continue to do much good in other areas of the country. But in south Mogadishu. General Aidid's stronghold, casualties have mounted and relief efforts have been set back. Mr. Aspin tried to soften the focus on the

anti-Aidid operations. His criteria for with-drawing included establishing "reasonable se-curity in south Mogadishu." But he put his main emphasis elsewhere, on generalized re-ductions in heavy weaponry and the early creation of a Somali police force that could reduce clashes between UN forces and civilians. Even better would be a renewed effort to

engage General Aidid or other members of his cian. The Clinton administration stiffly as-serts that the United Nations cannot talk to people who kill peacekeepers. But of course the UN does just that all the time, from Cambodia to Bosnia.

UN reconstruction is very different from classic warfare. But more than 40 years of Cold War thinking has traumatized official Washington. Military and foreign policy pro-fessionals sometimes have trouble distinguishing between bush-league bandits and real threats. Today's local warlords no longer serve as proxies in some larger competition. The only way General Aidid could damage important U.S. interests would be for A ca to let itself be obsessed by him.

The present UN mandate in Somalia expires Oct. 31. Perhaps, in the intervening two months, UN leaders can find their way back to the constructive course they slipped from in June. If not, then it may be time for Ameri-

- THE NEW YORK TIMES.

The Good News on Ozone

It is not often that science, industry and government can agree on the causes of a complicated problem and then work to solve It. When they do, there is reason to celebrate. Last week an issue of Nature, a British jourhal, carried some unexpected good news that is directly traceable to a collective effort: The invasion of the stratosphere by chemicals that thin the earth's protective ozone

layer is slowing down. If the trend continues, the buildup ozone-destroying chemicals should stop by the year 2000. The worst of the destruction and it will get worse for a while - should come around the turn of the century when the peak load of chemicals, now wafting upward. reaches the stratosphere. At that point, assuming no new assaults, the ozone layer should begin a slow recovery.

"Here is a beautiful example of science and bublic policy working well." said Dr. James Elkins, a government scientist who led the learn that detected the slowdown.

He is right. Though it took some doing Donald Hodel, President Ronald Reagan's energy secretary, once suggested that the way to deal with ozone depletion was to apply more suntan oil), scientists finally per-Suaded the world's governments that un-checked ozone depletion could, in time, expose large parts of the globe to cancer-

causing ultraviolet rays from the sun. In 1987, industrialized nations agreed to a 50 percent reduction in the main chemical culprit - chlorofluorocarbons, or CFCs, used as a coolant in refrigerators and air conditioners. Three years later, they agreed to eliminate CFCs by the year 2000. Last year, in Copenha-

ben, the deadline was moved to 1995. Meanwhile, manufacturers like Du Pont, driven as much by competitive fears as by altruism, moved swiftly to develop substitutes. Most of next year's new cars, for example, will be equipped with non-CFC air condi-

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tioning systems. The steady decline in CFC emissions, scientists say, is almost certainly responsible for the slower growth in atmospheric concentrations.

This success story will not be easily replicated. Finding substitutes for CFCs is one thing; finding substitutes for fossil fuels -the main cause of suspected global warming — is quite another. Still, the fact that bureaucrats and business leaders actually responded, once they grasped some unpleasant scientific truths, might be something to remember the next time that querulous countries get together to talk about the shrinking rain forests or climate change or even the fish in the sea. - THE NEW YORK TIMES.

Other Comment

Too Soon to Leave Somalia

The United States refuses to turn tail and run from Somalia. President Bill Clinton. holding firm amid increased attacks on American soldiers, has ordered nearly 400 commandos to Mogadishu to beef up the U.S. presence. The Clinton administration

has no other reasonable option. To retreat at this point would signal weakness in American resolve. It would jeopardize the very real gains that have resulted from last year's American humanitarian intervention. A U.S. pullback would also endanger the international forces assembled by the United Nations. Staying today, however, does not mean staying forever. U.S. troops should remain in Somalia only until the fugitive warlord Mohammed Farah Aidid is brought to justice - and until the restoration of relative peace.

- Los Angeles Times.



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W ASHINGTON — So far, despite a lot of public agonizing and brave talk, the Clinton administration has yet to use force in Bosnia. But there is little doubt that President Bill Clinton and his advisers have a strong urge to accept, on behalf of the United States, worldwide responsibility for peace, tranquility and human rights - witness the recent dispatch of U.S. Army Rangers to Somalia. There is also no doubt that this generous urge could get America

into a lot of trouble. The Clintonites' taste for humanitarian interventions is based on the hypothesis that the post-Cold War world is longing for a benign super-power and that the United States has both an interest and moral obligation

But all too often, good intentions are in the eye of the beholder. Back in 1983, the Syrian vice president, Rifaat Assad, told me: "Americans to assume this role. claim they came to Lebanon to promote peace. But they are either lying through their teeth or terribly stupid. Their peace is our humiliation in the Arab world, our exclusion from Lebanon, Israeli domination in the area. How can anyone think that we would see the arrival of the American military to impose such an outrage on us as anything but a grave threat?"
The U.S. view of the mission in

Lebanon was strikingly different. According to President Ronald Reagan, U.S. Marines were sent to Beirut as part of a multinational force on a purely peacekeeping mission. It zame as a shock to Secretary of State George Shultz that the marines increasingly came under fire from "un-grateful" Lebanese radicals. When the fire was returned. America became a party to the Lebanese conflict - contrary to Mr. Reagan's original design.
One result was the suicide bomb-

ing attack on the marine barracks, which forced the United States to pull out. A more remote outcome was the series of airliner hijackings by Lebanese extremists and later the taking of U.S. hostages in Lebanon. The consequences of the Lebanese debacle for U.S. prestige abroad and the Reagan administration at home are a matter of record. Still, Mr. Shultz has become a cheerleader for U.S. intervention in Bosnia.

The self-deception about such actions is amazing. In Somalia, as Made-leine Albright, the U.S. ambassador to the United Nations, has noted, the Clinton administration has transformed the U.S. military mission from feeding the starving to building democratic institutions and stopping "those who disrupt the peace." U.S. officials have made it clear, by words and deeds, that General Mohammed Farrah Aidid was the one warlord they sought to cut down to size.

That General Aidid would not give

up without a fight was predictable. It was similarly easy to anticipate that many Somalis would not look favorably on a military campaign against their leader. Yet the Clinton administration's reaction is enough to give one the impression that General Aidid's refusal to surrender is the moral equivalent of challenging God's will.

The Somali operation, though, will seem like a piece of cake if the Clinton administration stumbles into a military role in the Yugoslav civil war.
The United States should be very

rateful to Russia and European alies for not letting it become involved in the Yugoslav quagmire, said Vladimir Volkov, a member of Boris Yeltsin's Presidential Council and a leading Russian expert on the Balkans. He argues that, tragic as the Bosman situation is, the story of Sarajevo today will not be a repeat of 1914, when the assassination there of Archduke Ferdinand triggered World War I. "But the U.S. military

attack could transform a local civil war into a major international crisis overnight," Mr. Volkov cautioned. The reaction of the Bosnian Serbs

and their sponsors in Belgrade to a U.S. air strike is uncertain. But the Bosnian Serb leader Radovan Karadzic has warned of terrorist attacks similar to the attack on the World Trade Center in New York - if America intervenes on behalf of the Muslims. The head of the Serbian Radical Party, Vojislav Seselj, has sile attacks against Italy, Croatia and Austria.

Not to be outdone, the vice president of the Muslim-dominated Bossian government. Ejup Ganic, has promised that, if his regime is not saved by the international community,

errorism will start all over Europe Whether these threats should be taken at face value is anyone's guess. But over the years, both the Tito government and Croatian national-ists waged a war of terror on several continents unconstrained by any fear of hurting innocent bystanders. And terrorism is traditionally the weapon of last resort for groups lighting vast-ly superior military machines. The consequences of U.S. interven-tion in Bosnia in terms of relations

with other major powers would be

protective shield, when necessary. But they have little tolerance for being pushed around by Washington when their own interests and perceptions office from Washington's - winess the strong Italian dissent on Somelia, the British and French stance on Bosnia, and the openly defiant stand of the French and Belgian generals com-manding UN troops in Bossia.

If the United States develops a ten-

dency to exercise pressure on European nations and Japan — in the absence of an overriding outside threat—it is only a matter of time before many of them start re-examining their relations with the United States.

The problem may be even more sensitive with Russia. At this moment, to put it bhantly, Russia can be ignored with relative impunity. And, o be sure. Russia may continue to rot like the Austro-Hangarian and the Ottoman empires did for centuries before finally falling apart.

But this is neither the only nor the most likely model of Paragon details.

most likely model of Russian devel-opment. One realistic scenario is that President Yeltsin will finally make a

more severe. It is an illusion that Europeans are yearning for assertive U.S. leadership. They want a U.S. presence and they present the presence and the presence and they present the pr force and its motivated new entrepreneurs, the economic receivery could take much less time than r. . st Western economists think likely. By the beginning of the 21st century, if not sooner, Russia may again be a force to reckon with in world affairs. her Tarturis

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Conversely, as happened during the Time of Troubles in the 17th century and the civil war from 1917 to 1921, Russia might disintegrate before being reunited through the power of the gun. The government coming to power under such circumstances would not be friendly to-ward the West.

Least of all, would it take the current borders between the Soviet successor states any more senously than the Serbs have taken them in the former Yugoslavia? The implications of such an eventuality for U.S. interests is difficult to overdramatize.

The writer is chairman of the Center for Russian and Eurasian Programs at the Carnegie Endowment for International Peace. He contributed this com-ment to The Washington Post.

To the Brink of a Bosnia Sellout

By William Safire

P ARIS — More than 10,000 U.S. troops, drawn mainly from the 1st Armored Division in Bad Kreuznach, Germany, were on the verge of being sent as part of a NATO force to Rossia-Herzegoving to impose the arrong peace

Bosnia-Herzegovina to impose the wrong peace in the wrong place at the wrong time.

Had the Bosnian Muslims bowed to Western pressure to accept the latest surrender terms proposed by the UN, the U.S. forces would have become guarantors of a Munich-style sellout that would have created a guide of ghettos and encour-aged future "ethnic cleansing." How did the Clin-ton administration stumble to this brink?

By cravenly caving in to the French and British reductance to arm the Muslims and to suppress Serbian-Croatian firepower from the air.

By reacting to this allied rebuff with a foolish commitment to use U.S. forces in NATO to support any surrender terms the UN could work out.

By abdicating operational authority to the UN, thereby undermining American threats to use air power to stop the Serbian shelling of civilians — at a moment when the only incentive to negotiate came from the possibility of U.S. air attacks. And by limiting American involvement in the

peace negotiations to occasional expressions of distaste, as if to dissociate the United States in advance from betrayal of principle — and then, behind the scenes, to urge the Bosnian Muslims to swallow the repugnant terms because U.S. protection would not be forthcoming until they gave up.

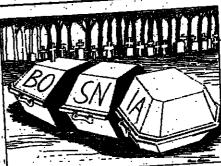
No doubt the Bush acquiescence two years ago in the UN cutoff of arms to the Bosnian Muslims was a diplomatic blunder. But this year's falsestarts belong on Bill Clinton's doorstep.

People of my strategic persuasion favored a hunkering-down of UN humanitarians on the scene while Western powers gave Serbian irregulars a taste of their own medicine. Such sustained bombing of artillery positions, supplies and bridges, combined with an increased blockade of Sechia and Croatia, would have set the ade of Serbia and Croatia, would have set the stage for a partition that would not have left

Bosnia an economic basket case.
instead, what we have now is the undenied appearance of the promise of U.S. ground troop involvement in the U.S. led policing of a surrender that the American people had no say in and want no part of. American lives would be at risk in a protracted entanglement where U.S. policy never came into play and U.S. diplomatic muscle was never applied. No, thanks.

The inept Clinton secretary of state has given a blank check to the UN's Butros Butros Ghali: You decide what the policy is to be and how much it will cost in lives and treasure, and the United States will obey. Is America to be a payer but not a player? Even unreconstructed hawks get off the train at that stop.

When Mr. Clinton finally gives a speech wrapping himself in the glories of multilateralism, he will not be able to sell the UN-brokered surrender as remotely honorable, especially considering the United Nations' one-sided disarmament. If he continues tacitly to endorse the UN deal, he



could only plead that slow strangulation in ghettos would be better than quick death in war.

America will not defend with its lives what it cannot defend with its conscience. The problem is not the Bosnian unwillingness to submit to hopelessoess, like good victims, the problem is the Serbian-Croatian demand for Muslim humiliation and the Western powers' lack of backbone.
What can Mr. Clinton do now? He can get on

the hook to François Mitterrand and John Major with changes of the UN terms to give Muslim Bosnia some territorial contiguity and undisputed control of its capital of Sarajevo.

He should arrange swift, certain NATO retaliation for any aggression during negotiations. He
should set the terms for the participation of U.S.

forces in NATO peacemaking, not make American troops pawas in UN hand-wringing.

Time is running out, Mr. Clinton. Avoid the UN trap. Send Europe the message: Bosnia alive or NATO dead.

The New York Times.

Yeltsin's Battle With Parliament Will Fix Democracy's Limits submit himself to a new presidential tutional consent, he will probably have to send in armed men to enforce his

A EGINA, Greece — If Boris Yelt-sin seriously means to have a fight with his parliament this fall, he had better take a cool look at the different ways he could set about it; and a cool look means asking himself, as calmly as he can, what his purpose

in this business is.

His purpose is not first and foremost the removal of his infuriating parliament. It is infuriating, trying to thwart his privatization of Russia's economy. It has proposed a murderously inflation-boosting budget.

If it keeps up this sort of thing for another year and a half — the life left to it before the next scheduled election -it will make Russia's recovery even harder than it was going to be. Nevertheless, bringing parliament to heel is not Mr. Yeltsin's chief aim. His chief aim is to create a new set of rules for the way politics will be conducted in Russia - a new constitution which an overwhelming majority of

history: the moment when autocracy at last, one hopes, gives way to de-mocracy. At these times a great deal depends on the way things are done. Each major act of policy becomes a precedent, an example of the new rules of the game. If Mr. Yeltsin sets the wrong example in 1993, Russia could be ruing it by 2003.

A great deal depends on how he handles his quarrel with parliament. If he solves the problem in a way most Russians can accept as right and fair, Russia's new constitution will be moving to a healthy birth. But if what Mr. Yeltsin does now looks merely like one faction scoring over another, the result could be disaster. By 2003, or 2013, a new faction will that it can do the same. There will be no generally accepted rules of the game, no constitution that all Rus-

sians can support. For the heart of the problem is that today's parliament, though most

By Brian Beedham Russians probably disagree with what it is doing is acting legally. The current constitution says it can do these things. It is no use protesting that the constitution is an illegitimate child of the bad old Communist days. There will be plenty of people 2003, or 2013, ready to protest that the constitution then getting in their way is a bastard, too; but we do not want them adding that what happened to 1993's constitution entitles

them to eat up theirs as well.

Mr. Yeltsin has three possible ways of trying to get parliament out of his hair, and set up a new constitution in which president and parliament will be less liable to tangle with each other. Option No. 1 is to hope that, if he shouts at it threateningly enough, parliament will give way and let him call an election for a new legislature. The present parliament might be coaxed into surrendering, some people argue, if Mr. Yeltsin offered to

election at the same time.
It is not inconceivable. The partiament includes some friends of Mr. Yeltsin, and quite a lot of proved waverers. It has buffed and puffed before, and then backed down. But it seems unlikely to do so this time. And the unlikelihood increases at each new revelation of division and cor-

ruption in the Yeltsin camp. The second option is to do a deal with parliament: It can have its remaining 18 months or so of constitu-tional life, provided it stops blocking Mr. Yeltsin's legislative program. This is a risk: It assumes that parliament will honor its promise. But it does open up a possibility that Mr. Yeltsin can carry on with Russia's reforms without having to break Rus-

sia's constitution.

The only other option, after all, could quite literally mean a fight. If Mr. Yeltsin damns parliament's eyes and calls an election for a new legislature without the present one's consti-

or the declared dissent of two or three regional commanders, and it is hard to forecast the consequence. The spine would prickle less if Russia did not look so manifestly fragile. But it is far from clear that all of its armed forces are under any one man's command. Several of Russia's component regions want more independence from Moscow. The voters' confidence in any sort of politician is waning fast.

An open fight between president and

will But not all of Russia's armed men

will agree with what he is doing. One

exchange of shots in a Moscow street,

parliament might be the shock that brought the whole thing down.

And on top of all this is the constitutional objection. If one man says now, "My policies are right, and most people back them, so to the devil with the constitution," does that not make it likelier that another man will say the same thing some future day?

A lot of well-meaning people are reging Mr. Yeltsin to take the risk. If Mr. Yeltsin can bring about parliament's premature death, they seem to say, Russia will be safe, if he cannot, all is lost.

It is a curiously melodramatic argument. Nothing in Russia's present condition, or in Mr. Yeltsin's record, aggests that it is true. It will be years suggests that it is unan a value new Rus-before the shape of a stable new Russia emerges from the rubble. The opposition that comes from today's pariament delays the arrival of the new

Russia, but it does not prevent it. The parliament anyway has to sub-mit itself to the people's judgment before very long. Do you set an example of tearing up constitutions, and perhaps risk civil war, merely to advance the clock a little? No. Option No. 2 - the deal that lets parliament have its remaining months of pay and perks, provided it pokes its fingers less into Boris Yeltsin's policies — is what the president should be aiming for.

International Herald Tribune.

1893: Touchés Abound PARIS --- At a time when party feel-

ings run high, one or two duels are reported in the papers every day. The recent abortive attempt to arrange a duel between M. Clemenceau and M. Judet is still fresh in the public memory. M. Judet challenged the Radical statesman to fight, but the latter's seconds refused to receive the cartel on the ground that M. Judet, by reason of his avowed connection with the matter of the now notorious forged documents, had no right to seek reparation on the field of honor.

1918: A Foothold Slides

WITH THE FRENCH ARMIES -The Germans are making a supreme effort to maintain their positions on the plateau north of Soissons, throwing fresh troops against both the French and Americans, disputing the ground foot by foot. After their attempt a few days ago to retake the height west of the road from Codey-

le-Château to Soissons, called Orme de Montecouve, men from three different divisions of infantry and battalions of crack mountain troops were identified among the prisoners made by a single French division.

LONDON - From our New York

front, capturing the anchor city of Taganrog and more than 150 other towns, and is cutting down the rem-nants of an encircled German Army, the Russians announced today [Aug. 31]. In one of the great victories of their summer campaign. Russian units led in a daring thrust by General Pedor Ivanovich Tolkukhin pushed far behind the German lines while shock troops stormed Taganrog from the east, smashing eight big defense centers to take the city. which had been in German hands since mid-October 1941.

Russians can see is right and fair. At the 'Moscow School,' Democracy Is Redefined

in Russia, what has happened to that burst of democratic courage and fer-vor which accelerated the end of the Soviet regime? Has it been destroyed by the difficulties of daily life, by economic instability and political bickering? Has it paled next to the rise of organized crime, or the apparent return of medieval diseases like the plague? Such woes seem to fascinate the media, hovering over Russia's condition like birds of prey over

the carcass of a once ferocious beast. markably calm, taking in stride economic and political tensions that democracy penetrating the conthan 70 years of repression? Worse. does it prove the supposed passivity

cow School of Democracy persuaded us otherwise. This school - really a series of seminars held in duchas around Moscow - was conceived by an energetic and charismatic citizen. Lena Nemirovskaja. An ari historian whose kitchen was, in the '80s, a center of independent thinking in Russia, she realized that in the new Russia, the time for dissidence was over and that there was a need to construct a new political clite.

from three sources: the Council of Europe, faithful to its role as purveyor of democratic values; the British government, ever ready to stand by its democratic tradition; and Russian capitalists, who have understood the crucial link between a market economy and democratic pluralism.

GOLITSINA, Russia - Two years after the aborted pulsch women, who already hold major responsibilities in the privatization of industry, sometimes for regions as

And yet Russia has remained rewould have shot the nerves of any Western nation. But is the spirit of sciousness of the new Russia? Or does the prevailing calm simply reflect Russia's acute fatigue after more

of the Russian trasses? A week spent visiting the new Mos-

Support for this initiative has come The school brings together young elected officials from all levels of

Russian political life, as well as those

who will form a new banking and business elite. These young men and

By Dominique Moïsi and Diana Pinto

large as European countries, provide living hope that democracy might eventually flourish in Russia. Not only was Tocqueville's spirit of democracy alive and well at the seminars, so was Montesquieu's "The Spirit of Laws," perhaps more important for the future stability of Russia.

These new Russian political elites

are too young to have served in the

Afghan war. And most were far removed - geographically and culturally -from the secluded world of the Moscow dissidents of the last decade. It is, therefore, significant that for them, national pride and self-respect today are inseparable from a democratic regime. This became clear during their discussions. Their ideal was a 20th-century Magna Carta, along British lines, combined with a strong independent judiciary, in the American tradition. To govern effectively and keep together so vast a country, they also felt the need for a strong executive

in the tradition of Charles de Gaulle, combined with an equally strong federal power, along German lines. They firmly rejected any Latin American authoritarian "solution," with its collusion between economic interests, the military and the malia. or the austere modernity offered by ingapore's Confucian brand of enlightened despotism. What these young dites sought,

quite simply, were pragmatic West-

em recipes for democratic "normal-

cy," a normalcy that would allow

Russia's full integration into the community of nations. For they knew only too well just how abnormal the Soviet Union had been. Where many Western commenta-tors see dark symbols of decay in the breakdown of public order, morality and primitive economic redistribution, Russians striving for democracy

see instead what they define as "constructive destruction."

They feel absolutely certain that the misdoings of even the most powerful of today's economic marias cannot compare to the state-organized violence and criminality of seven decades

of Soviet rule. The economic violence

of today poles in comparison with the political violence of yesterday. These young elites were particular-impressed with the distinction, ade by one of Russia's most prestigious constitutionalists, between the concept of "authority." derived from moral values, and that of "power,"

based on simple political execution.

Parliamentarians felt obliged to condemn the financial abuses and blackmailing behavior of their chairman, Ruslan Khasbulatov, while asserting the legitimacy of a strong parliamentary power. Regional representatives were lighting for a proper equilibrium between Moscow and their regions. while condemning the economic thefts and judicial immunity of their immediare "Soviet-inspired" superiors. Jurists were seeking to solve seemingly impossible equations by creating

take into account Russia's long instinational history and the political experiences of the past two years. Bankers and capitalists struggled to reconcile the imperatives of economic rationality and legality with absurd legislation inherited from the Soviet state. Finally, even the most impatient reformers were forced to admit that politics in a democracy has its own

a new constitutional order that would

politics in a democracy has its own tempo and that perhaps President Yelisin's delaying tactics may have preserved Russia's social peace.

The chorus of feats and hopes heard at Golitsma all pointed ultimately in one direction: Russia has no choice but to form the social and stable political. but to lorge strong and stable political institutions, with the separation of powers as linchpin, with clear distribution of authority between the center

and the regions, and with pluralist democracy serving as the motor.

For an anguished West, constantly brooding over its own citizens' political disenchantment and the unwieldiness of modern democratic systems, the debates taking place among these Russians provide a positive challenge. For, these young Russians perceive liberal democracy as a value and as an essence and not simply as a procedural

and strategic stability, we give new meaning to our political roots.

context. By beloing to foster it, we in

the West not only ensure our political

Mr. Moisi is deputy director of the Institut Français des Relations Internationales; Miss Pinto is a historian and writer. They contributed this comment

to the International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1943: Red Army Victory

edition: The Red Army, in a fifty two mile break-through, has smashed the southern end of the German

O P I N I O N

Why the Holocaust Deniers **Keep Torturing the Past**

By George F. Will

N EWPORT BEACH, California - and described in detail by victims, by ing difficulty doing justice to his salmon, such is his passion for justice, as he pretends to understand it. He is trying to persuade me that the Holocaust never

happened. It is not going well:

I am a hard sell, having visited death camps (Anschwitz-Birkenau, Majdanck, Treblinka) with survivors. But the fact that some Jews survived is part of the Holocaust deniers "proof" that the Nazis never intended extermination.

Mr. Weber edits The Journal of Historical Review, a recent issue of which advertises a book "that dares to ask: Who

Holocaust deniers play upon contemporary society's tendency toroard historical amnesia, and its mussy notion of 'tolerance'

Benefited from the Crystal Night?" the Nov. 6, 1938, anti-Jewish rioting. If you guessed that the Jews benefited, you've got the drift of Holocaust "revision Revisionism" is a term of scholarship hijacked by pseudo-scholarship in the service of anti-Semitism. Holocaust deniers present any conflict among or amendment of survivors' testimonies, or any historical refinement of previous understandings, as "proof" that the Ho-locaust is a myth. Mr. Weber allows as how maybe a million Jews were victims — of the rigors of confinement, and of excessive Nazi security concerns. But Holocaust deniers say victims exaggerate, and after the war, Nazis made faise confessions to appease their captors, who were serving the myth-makers -Jews [abricating martyrdom for political

and financial gains.

The deniers "arguments" always return to what Mr. Weber, like the Nazis, calls "the Jewish question" (Judenfrage) The gas chambers were really showers. Zyklon-B gas was too weak to kill. Or too: nowerful to use for mass murder - it would have killed those who emptied the "alleged" gas chambers. When Hitler promised "the annihilation of the Jewish race in Europe" (Jan. 30, 1939), he was, says one denier, merely using heroic hyperbole—"the kind of defiance that was harled by ancient heroes." And so on.

For some people, historical partisan-ship, such as defending Richard III against the charge that he ordered the murder of the princes in the Tower, is a hobby. But what kind of person makes a career of denying the reality of an almost contemporary event that was recorded graphically, documented bureaucratically.

Amid the genteel tinkle of restau-rant limch sounds, Mark Weber is have tortures the past in the trope of making:

the future safe for torturers.

In her new book "Denying the Holocanst: The Growing Assault on Truth and Memory," Deborah Lipstadt of Emory University argues that the deniers' work "is intimately connected to a neofascist political agenda." She says the deniers aim is to rehabilitate Narism and re-emphate its pictims thereby zism and re-evaluate its victims, thereby

delegitimizing Israel and vilifying Jews.
Hitter, says Mr. Weber at lunch, was "the most philosophical" figure of the 20th century, and "his understanding of this century was more on the mark than that of any of his contemporaries." And "Hitter has the 'rep' he has because he opposed the whole development of the 20th century." Anti-Semitic and anti-democrafic, Hitler understood the necessity for severely hierarchical and racially homogenous nations. Applying these ideas Mr. Weber says that America "has two ways to go." It can become a "Third World" chaos of tribes, or can be sundered into racially pure entities.

The Webers of the world are few and

their "arguments" are jarragoes of dizzying non sequiturs and mock-scientific analyses of a sort concocted only by lunatics or sinister cynics. But the de-nices increasing echoes, and their ability to insert themselves into the conversation of society, are cultural symptoms. Holocaust deniers play upon contem-porary society's tendency toward histori-cal amnesia, and its muzzy notion of

"tolerance" that cannot distinguish between an open mind and an empty mind. Thus, a young reporter for a respected magazine interviewing Ms. Lipstadt (without reading her book) asked this question: "What proof do you include in your book that the Holocaust hap-pened?" That reporter passed through college unmarked by information about even the largest events of the century, but acquired the conventional skepticism of People as ignorant as that reporter

know nothing, so they doubt everything except how sophisticated they are when they assume that nothing is certain. This assumption is irrigated in the badly educated by fashionable academic theories of epistemological indeterminacy. The vocabulary and mentality of literary "deconstruction" seeps everywhere, relativizing everything, teaching that history, like all of life, is a mere "narrative," a "text" with no meaning beyond what any individual reads into it. No event, no book, nothing has a fixed content; the individual's "perception" or "reaction" to it is everything.

That is the had news. The good news is

that this year two million people will pass through Washington's new Holocaust Memorial Museum, which will survive the survivors and be their testimony. Washington Post Writers Group.



LETTERS TO THE EDITOR

The Hard Road to Peace

The recent tragic turn of events in Somalia holds an important lesson for us, one that Americans seem easily to forget: Genuine peace cannot be im-posed on a people by force, no matter whether that force is applied unilaterally (as in Vietnam) or multilaterally, by means of a United Nations coalition.

"Peace enforcement," the current panacea being offered as an answer to our irustrations over Somalia, Bosnia, Cambodia, Angola and elsewhere, is an oxymoron. Applying force can accom-plish many worthwhile things, if the will and the means exist to apply enough of it for long enough. It can compel cooperation with humanitarian relief missions. It can coerce warlords into suspending hostilities. It can oblige faction leaders to sit down together and talk. It can terrily, intimidate or even subjugate evildoers for the sake of their innocent victims. Roman legions and British imperial navies successfully applied force for just such purposes.

But only genuine peacemaking and peacekeeping, based on winning the consent of the parties to conflict, can achieve genuine peace. That's a much more tedious, much less glamorous process than making war. It involves quiet diplomacy and mediation more often than saber-rattling. And it very often fails, since not every conflict can be peacefully resolved.

Nevertheless, contrary to current no-tions, traditional-style multilateral peacemaking has been remarkably successful over the past half-century most recently in Namibia and El Salvador, perhaps soon in Haiti -so success-

ful, in fact, that UN peacekeepers carned a Nobel Peace Prize in 1988.

Sadly. Somalia has become a testingground for the new, more muscular peace enforcement" approach, and the results there so far should serve as a serious warning. Instead of promoting peaceful reconciliation among Somalis, the experimental approach has derailed the peace process, halted disarmament, and brought humanitarian relief operations to a standstill.

FRANK CRIGLER. Arlington, Virginia. Editor's Note: The writer, a professor of international relations at Simmons College, Boston, was U.S. ambassador to Somalia from 1987 to 1990.

Consequences of Clinton

Regurding "'Ruining People Is Con-sidered Sport" (Aug. 11): The late deputy White House counsel,

Vincent Foster Jr., complained in his farewell note, "I made mistakes from ignorance, inexperience and overwork. This characterizes the Clinton administration. We, the people of the world, in addition to the people of the United

States, suffer the consequences, A. BRUCK.

Bosnian Airlift

One of the most despicable aspects of the Western reaction to the continuing horrendous saga in Bosnia is the recent airlifting of the medical needy to hospitals abroad. This conscience-spothi balm, which receives the full attention of the media, is designed to assuage feelings

of guilt of political leaders who lack the guts to confront the source of the misery. The Dutch press recently reported that, when asked to nominate two children from Tuzia for treatment in Australia, Dr. Michael Curtis of Doctors Without Borders wrote a letter to the sponsors suggesting 10 better ways to use that money. The list included antibi-otics and monitors for the intensive-care units, which would make it possible for those on the scene to "save hundreds of lives with the same expenditure."

VERONICA BERNICKE. Boden, Switzerland.

Long View of Longhand Regarding "You Are What You Write"

(Aug. 3) by Barry James:

Congratulations on this excellent expose of the boax of graphology. Study after study has shown that graphology is totally without merit as a method of determining personality, trustworthiness or any other traits. Only through articles such as yours will businesses that currently use graphology come to realize that they are wasting money on a worthless method.

TERENCE HINES.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

Epitaph for a Nazi Foe: 'A Little Piece of Justice'

By Thom Shanker

BERLIN — Some men lead lives of near cinematic perfection, so essential framed all the right questions:

معنداس الرجل

remberg's Hall of Justice, and came face-to-face with 11 men accused of or-

MEANWHILE

ganizing the murder of six million Jews and plunging the rest of humanity into

The German-born lawyer - history will recall that he was among the first, in 1931, to file a warrant for the arrest of Adolf Hitler — had fled to America just before World War II and had returned with a single wish.

"I just wanted to put a little piece of justice back into the world," said Mr. Kempner, whose knowledge of German legal codes and Prussian police practices earned him a lead position among the American prosecutors at the Nuremberg Tribunal for Nazi war crimes.

In one of history's rich and powerful frontes, the man who helped convict Hermann Goering, Rudolf Hess, Albert Speer, Martin Bormann and Joachim on Ribbentrop also is credited with a historic legal coup proving the guilt of the Holocaust's founding fathers:

In 1947. Kempner was searching seized Nazi archives and uncovered the Wannsee Protocol, including minutes of the secret 1942 meeting at a lakeside villa outside Berlin at which Hitler's top officers designed a program of genocide for the Jews of Europe. Mr. Kempner also was prosecutor at

cases for the murder of Anne Frank and for war crimes committed in the Warsaw Ghetto, and was called to Israel in 1960 as an expert witness in the trial of Adolf Eichmann, an architect of the "Final Solution."

By that time, Mr. Kempner lived in Koenigstein, outside Frankfurt, and had established a private legal practice where he specialized in restitution claims filed by victims of the Nazi era.

Even as his health deteriorated in the early months of this year, Mr. Kempner chose to continue this lifelong moral crusade to put a little piece of justice back into the world.

I had just come off a year covering the war in Bosnia-Herzegovina, and was trying to gain some perspective on this conflict, whose signature acts ignored human rights and the inviolability of

To that end. I attempted to track down the few surviving Nuremberg prosecutors to examine precedents for a war crimes prosecution that may or may not be convened for the politicians and generals and warlords of the former Yugoslavia. At the time, of course, I had no idea I would be granted the last interview Mr. Kempner would give.

tial are they in place and time and action. How do you convene a war crimes trial when the accused are winning the war? It was Nov. 20, 1945, and Robert Is it possible to define gradations of evil Kempner walked into Room 600 of Nu- to separate the crimes of the attacker from acts of equal brutality carried out in revenge? Is Bosnia sundered by civil var. or a war of outside aggression?

The world is not as simple as during the Nuremberg process, and Mr. Kempner expressed doubts that there would be even a little piece of justice for victims of the Balkan conflict. The temple of morality built in Room 600 in Nuremberg - even then its foundation was shaky, condemned as an act of "vic tors' justice" - has been demolished by the war in Bosnia, he said.

"But the world must do something, so it doesn't happen vet again," Mr. Kempner said. "Gathering evidence is a certain threat, even if it is just for a shadow procedure, a trial in absentia." Again, it seemed, Mr. Kempner was turning to the law in his struggle against

history's most polluted tides. Holding a doctorate of law from the University of Freiburg, Mr. Kempner was, before World War II, counsel to the Prussian Interior Ministry, where he filed a brief in 1931 recommending that Hitler, as leader of the increasingly viclent National Socialist Party, be brought to trial for high treason. At the very least. Mr. Kempner argued, expel this man to his native Austria as a dangerous and undesirable foreigner.

Two years later, when the Nazis came to power, Mr. Kempner was arrested by the Gestapo, interrogated and then suspended from the civil service on order of

Hermann Goering. In 1935, Mr. Kempner and his mother, the noted bacteriologist Lydia Kempner, whose seminal works on tuberculosis were torched at Nazi bookburning rallies, were hounded out of Germany by the Gestapo. Mr. Kempner went first to Italy, and then, in 1939, to the United States, where he became a naturalized citizen in 1945.

The Stars and Stripes was draped over Mr. Kempner's coffin last Tuesday at his funeral in Johannes Kirche in Berlin, the same Lutheran chapel where he was haptized and confirmed.

Mr. Kempner was eulogized by Ignatz Bubis, leader of Germany's Jewish community, as "a man who militantly fought for democracy," and "an administrator of justice and right."

Jutta Limbach, the Berlin senator for

ustice, said the finest honor for Mr. Kempner would be for others to join his glorious battle against forgetting And, by so doing, to put even a little piece of justice back into the world.

The writer is senior European correspondent for The Chicago Tribune. He rional Herald Tribune.

BOOKS

1.0

still has something to say to women, and men, of a younger generation.

Strongly attracted to men, she life of Christ. That scandalized the had several relationships before she life of Christ. That scandalized the men, she life of Christ. That scandalized the men had several relationships before she life of Christ. That led to a commission from the BBC to write 12 radio plays in modern, slampy English about the life of Christ. That led to a commission from the BBC to write 12 radio plays in modern, she life of Christ. That led to a commission from the BBC to write 12 radio plays in modern, she life of Christ. That led to a commission from the BBC to write 12 radio plays in modern, she life of Christ. That led to a commission from the BBC to write 12 radio plays in modern. married. Her second great love was pious, but resulted in a memorable marrien, ther second great love was prous, but resulted in a memorable an American writer from a Russeries. The Man Born to Be sian-Jewish background, John King. She spent the last 12 years Cournos, whom she wanted to mar of her life, before she died at the ry. Their relationship broke up be age of 64 in 1957, working on her cause he did not want marriage or children. Then she became in "Divine Comedy."

Savers was evolving the next a few series of the last 12 years age of 64 in 1957, working on her children. Then she became in "Divine Comedy."

Savers was evolving the last 12 years age of 64 in 1957, working on her children. Then she became in "Divine Comedy." volved with John White, a London motorcycle mechanic, who taught mist; but her life might be an examher to love riding bikes fast on the empty, bumpy English roads of the 1920s. Size became pregnant, arranged for her son to be brought up. by a cousin, and lived to see him achieve as brilliant an academic career as her own. Eventually she married an older man, Mac Flem-

ing, a convivial journalist who en-joyed pubs and motor racing. She liked men, friendships with By Robert Byrne

She liked men, friendslaps with By Robert Byrne

women, cooking dinners in he T HE 1993 National Open London flat, travel Most of all she enjoyed the craft of writing whether it was on the famous Guinness among the grandmasters.

ad campaign — My goodness my lin Round 5 game the Classical of his butter and her alter ego, After the center is firmed up by 8 11 Ru and 12 September 2 Some of her stories seem unbearties about her fantasy man, Lord leads to tactically complex play. After the center is firmed up by 8 11 Ru and 12 September 2 Some of her stories seem unbearties, with 6 Be2 e5 7 O-O Ned, as her leads to tactically complex play. After the center is firmed up by 8 11 Ru and 12 September 2 Some of her stories seem unbearties, with 6 Be2 e5 7 O-O Ned, as her leads to tactically complex play. After the center is firmed up by 8 11 Ru and 12 September 2 Sep

combine her religious commitment: Res.

Ra3, Black has dynamic play. For with her pleasure in the craft of Browne strove for something example, 32 Bd4 is met by writing came as a result of an elab more than the ineffective 24 bc. 32 Nd3! 33 Nf7 Qf7 34 Rf7 Bd4 orate series of epincidences. In and thus ventured a knight sacrifice 35 Kf1 (or 35 Kh1 Nhf4 36 g3 Bg4! 1928 Geoffrey Bell, later bishop of with 24 Nc5!? dc 25 Bc5. Kamsky 37 Rf1 Ral!) 36 Nhf4 with an ar-in the Christian resistance against 26 Nd6 Qe7 and the Californian After 28 Bd4 Ne8! 29 Bg7 Qg7 Narism, but then dean of Canter-had three pawns for his piece with 30 Nt5 Qe5, Browne retained mate-

\$25.95 St. Martin's.

der in the Cameana. The second most of personal knowled access to Sayers's letters.

Reviewed by and Christian philosopher, And it sayers was a woman with the second sec Godfrey Hodgson was Williams, who had admired Sayers's letters.

Sayers was a woman with a gift of the Church of England, she wrote mysteries about an aristocratic detective called whimsically—Lord Peter Winney.

And Christian philosopher. And it was a woman with a gift of the challenge, and admired for the third, it was a chrysalis of a conventional upbringing coming to terms with the physical as well as the emotional and intellectual problems of being a woman in a traditional society whimsically—Lord Peter Winney.

Williams, who had admired sayers's letters.

Sayers was a woman with a gift of the child it was a conventional upbringing coming to terms with the physical as well as the emotional and intellectual problems of being a woman in a traditional society.

Williams, who had admired for the wine and spiked up on the gallows like an owl on a barn door. That shows realism, good theology. In the challenge, and wrote "The Zeal of Thy House," the central figure of a born writer. which is the medieval architect, which is the medieval architect, shiftly bowever, you could hardly. William of Sens. He tempts divine that was evolving with disconcerting copy, rode motorbikes and had an illegiting the foremost Christian anologists of the foremost Christian and Christian anologists of the foremost Christian anologists of the foremost Christian anologists of the

That led to a commission from

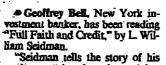
Sayers was, explicitly, not a femi-

DOROTHY L. SAYERS: sion original plays on Christian intellect as androgynous, neither was down-to-earth. "Nobody cares

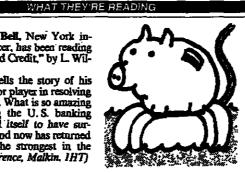
that was evolving with disconcerting speed. She grapples with her own distaste for condoms, for example, as well as with the subleties on the wrote this for The Washing-

Her Life and Soul subjects by processional with an annual festival.

By Barbara Reynolds, 398 pages: The first was T. S. Eliot's "Murder in the Cathedral." The second der in the Cathedral." The second most of personal knowledge and to people if you say that God was "flogged, spat upon, called dirty and the cathedral."



work as a major player in resolving the S&L crisis. What is so amazing is how strong the U.S. banking system proved itself to have survived all this and now has returned as probably the strongest in the world." (Lawrence, Malkin, 1HT)



CHESS

KING'S INDIAN DEFENSE

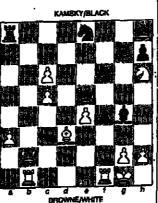
Sayers's head met. Our side was the yet after 19...a4 20 Na5 Nb8 (other-mancipated professional writer, wise 21 Nc6!) 21 Qa4, White had the other was a strong, if sometimes recovered his pawn and each player. On 27. Nbd7, Browne might doubting Christian scholar. The was prepared to resume his initia have tried 28 Bf4, but after 28...gf opportunity that enabled her to tive after 21 g5 22 Qc2 g4 23 Nb3 29 Rt3 Nb5 30 Bc3 Nc5 31 Rtf1

On 27. Nbd7, Browne might

bury cathedral, began to commis- 27 bc. rial equality, but Kamsky had the

advantage of vigorous piece play. With 31 de Ndf6 32 Nh6 Rg7 33 fg Bg4 34 Qb2, Browne was admitting that he had nothing more than to try for a draw in the endgame. Kamsky, however, wanted more with 34...Qc5 35 Khl Qh5!. On 36 e5 (after 36 Ng4 Qg4 Black also has a plus because of the

split white pawns) Qh6 37 ef Nf6 38 Qe5 f3!, Kamsky had taken over the intiative and after 39 gf Bh3 40 Rgl Rag8 41 Rg7 Qg7 42 Qg3 Qh6!. Browne staggered into an end-game with 49 Og7 Kg7, but after 65_Ne7, there was nothing to do about the threat of 66...Nt5 and he



Position after 34 Qb2

REPUBLIC OF LEBANON MINISTRY OF NATIONAL EDUCATION & YOUTH & SPORTS COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION

BEIRUT SPORT CITY **PRE-QUALIFICATION OF CONTRACTORS**

The Government of Lebanon, represented by the Ministry of National Education & Youth & Sports and the Council for Development and Reconstruction (CDR), invites applications from suitably qualified building and civil engineering contractors to pre-qualify to tender for the Rehabilitation and Construction of Beirut Sport City.

The Project will be financed by grants from Arab Countries. It will comprise the construction of the following main elements:

- A new olympic stadium for 50,000 seated spectators and its auxiliary services with an approximate built area of 60,000m² and about 27,000m² built-area of stands.
- A new swimming olympic center comprising:
 - 1- an open swimming pool for 2000 spectators
 - 2- an open diving pool for 1000 spectators 3- a covered swimming pool for training. All the above cover an area of around
- An administrative building with an approximate built-up area of 2000 m².
- An open tennis center comprising:
 - 1- a central court for 4000 spectators and their auxiliary services
 - 2- three other open tennis courts.
 - All the above cover an area of around 10,000 m².
- The rehabilitation of an existing indoor sports facility for 4000 spectators with an approximate area of 7000 m².
- A turf club with an approximate area of 10,000 m².
- A hotel of 120 bedrooms. g)
- The landscaping of the site (= 23 ha) consisting of the necessary network and infrastructure (roads, parking areas, piazza, green area, etc...)

The construction period is programmed for 24 months.

The tender period will be from 2nd of January to 28th of February 1994.

Pre-qualification applications must be on the basis of the pre-qualification document prepared by the Council for Development and Reconstruction, which will be available at the CDR offices against the sum of U.S.\$ Three Thousand (3000 \$) effective September 1, 1993 at the following address:

Council for Development and Reconstruction Tallet El-Serail Beirut - Lebanon.

Deadline for returning the duly completed pre-qualification document with all relevant supporting material is 12:00 noon (Beirut Local Time) on Friday 15/10/93.

Christopher Gave Process a Nudge in **Shuttle Diplomacy**

By Stephen Engelberg New York Times Service

WASHINGTON - The breakbrough in the Middle East peace talks gained momentum from the shuttle diplomacy of Secretary of State Warren M. Christopher, with help from an international cast that included the foreign minister of Norway and President Hosni Muharak of Egypt. according to Amer-

The officials gave the Palestinians and Israelis full credit for reaching preliminary agreements that could turn into historic accords. But they said that secret talks in Oslo between senior Palestinians and Israelis were moving slowly until Mr. Christopher's trip to the Middle East earlier this sum-

"They needed the United States to stimulate things," one official said. "They have all needed an awful lot of assurance and hand-hold-ing from the United States."

The talks sponsored by the Norwegians were a closely guarded secret until Israeli newspapers reported last week that Foreign Minister Shimon Peres had met in Scandinavia with an official of the Palestine Liberation Organization.

American officials said Oslo had been chosen as a site because the PLO had an office there and because it was a good place for the Israelis and Palestinians to avoid

being recognized. Mr. Christopher's main contribution, the officials said, may have been to revive the long-stalled talks between Israel and Syria over the future of the Golan Heights. This appears to have encouraged the Palestinians to bring new energy to

Continued from Page 1

signed with Egypt in 1978, when Likud was in

conflict between us and the Palestinians is com-

ing," he said. As to accusations of having lied.

ians. We want to live with them in peace. They

are humans like us. We don't want to rule over

Prime Minister Rabin indicated earlier that

However, his spokesman, Gad Ben-Ari, de-

"At this point, I don't see it as an issue at all,"

he had turned to negotiations with the PLO after a local Palestinian leadership capable of

nied Israeli news reports that the cabinet would

also be asked to vote on recognition of Mr.

WASHINGTON - President

Lill Clinton said Monday that he

intended to provide U.S. troops to

help enforce any Bosnian peace ac-

good but would need assurances

first that such a pact was fair and

negotiating on its own had failed to emerge.

them, to belittle them or treat them with con

News agencies reported:

"The beginning of the end to the 100-year

We did not try to deceive Jews or Palestin-

"The real movement began after the Christopher visit," an Israeli diplomat in Washington said Sun-

My interpretation is that Arafat was alarmed by the prospect that Israel and Syria would run away with an agreement," he said, referring to the chairman of the PLO, Yasser Arafat. "They were afraid the train was leaving the station. and they did not want to repeat the Israel-Egypt experience."

Mr. Christopher traveled to the Middle East at the end of July amid clashes between Israel and pro-Iranian guerrillas in southern Lebanon. He visited Israel, Syria, Egypt and Lebanon. The American officials said the mission had been intended to assuage the anxieties of both the Israelis and the Palestinians after nearly 20 months of fruit-Jerusalem, they said, needed new

assurances that it would not be abandoned by Washington. For their part, the Palestinians had to be convinced that the United States was truly an honest broker in the peace process. That fragile confidence had been undermined earlier this year by an American-drafted framework for peace that the Pales-tinians saw as leaning too close to

jor success of Mr. Christopher's trip had been in persuading President Hafez Assad of Syria to move beyond his vague formulation that Israel can trade "full peace" for withdrawal from the strategic Go-

President Mubarak, they said, has played a crucial behind-thescenes role in helping convince the Syrian leader that peace with the

PEACE: Israeli Government Approves Self-Rule for Jericho and Gaza

tions in Washington, hopefully this week."

Israeli sources said the PLO had first to

amend its covenant to eliminate the idea of

destroying the Jewish state by removing refer-

ences to "armed struggle" and demands for

Jews who immigrated after 1948 to return to

Hannan Ashrawi, a spokeswoman for the

Palestinian delegation who was reached by tele-

phone in Washington, said it would "take time" to make changes in the PLO charter because it

would require a meeting of the 451-member

Palestine National Council or the 70-member

their countries of origin.

Central Council.



American officials said the ma- Foreign Minister Shimon Peres addressing the Israeli parliament in Jerusalem on the peace plan.

declared, without providing details: "I think we have salvaged this

Shortly after he returned to Washington, American officials began receiving reports of progress channel." Mr. Peres personally described details about what had

he said. "It's not on the agenda. The cabinet is being asked to vote on the draft agreement, which will then be signed by the two delega-

months of talks.

After the first of two meetings been agreed to and what remained dial guarantees from Mr. Christowith Mr. Assad, Mr. Christopher on the table when he met with Mr. pher in their meeting, declared, without providing de Christopher in Santa Barbara, Cal. It is already clear that American ifornia, on Friday.

han Jorgen Holst.

The Israeli diplomat in Washing-

Bassam Abu Sharif, a senior adviser to Mr.

Arafat, said Palestinian negotiators expected to

reach an agreement that, while preliminary,

would be the first breakthrough after 22

"We feel we are five minutes away from the

This is the breakthrough," agreed Health

The opposition accused Mr. Rabin of mis-

But a survey of 523 Israeli Jews published

leading the Israeli people by ceding land and negotiating with the long-shunned PLO.

Monday by the biggest daily newspaper, Ye-dioth Ahronoth, showed that 53 percent of

Israelis backed the "Gaza-Jericho first" pro-

Minister Chaim Ramon on Israel television.

money to underwrite Palestinian Also attending the meeting was the Norwegian foreign minister, Joself-rule. American officials said preliminary work was already under way on an "empowerment fund" that would pay for education ton insisted that Mr. Peres did not and health care in the territories seek any specific security or finan- governed by Palestinians.

PLO:

Threat to Arafat

help will be needed to raise the

Continued from Page 1

side and outside to rise up swiftly to stop this malignant conspiracy,

Mr. Jebril said that through the agreement. Mr. Arafat would put first concrete step to be taken on the road to establish peace," he told Israel Radio. an end to the Palestinian uprising, or *intifada*, and had stalled proposals for a wider Palestinian dialogne over the talks with Israel.

Mr. Arafat, he said, had gone ahead with the plan despite Palestinians proving by strikes and sitins that they opposed it.

Mr. Nazzal, the Hamas official,

said personal ambition was behind Mr. Arafat's backing of the agree-

"Arafat's dream has always been to be president of a Palestinian he said. And referring to Jericho he added: "He doesn't care it his authority only stretches over an area its size."

We want the liberation of the whole of Pakestine, not just part of it," said Souheil Natour, a spokesman for the Damascus-based radical wing of the Democratic Front for the Liberation of Palestine.

Four militant groups called at a Beirut news conference for a oneday general strike in all Palestinian refugee camps in Lebanon on Tuesday and demanded that the plan be discussed by the Palestinian parliament-in-exile. (Renters, AP, AFP)

Jericho Already Sees Arafat Settled In, but in Which House?

By Clyde Haberman New York Times Service

JERICHO, Israeli-Occupied West Bank - Some folks already know where Yasser Arafat will settle in Jericho if the ballyhooed agreement with Israel comes true and Palestinian self-rule begins here and in the

He will move from Tunis into the big white house with green trim, they say, the one that sits in relative isolation on a low hill and could be easily cordoned

No, others say, the chairman of the Palestine Liberation Organization will take a more modest dwelling near a greenhouse off the main road. Wrong, still others insist, it's the house closer to the mosque.

A few people are betting that the PLO will renovate the old "winter palace" where King Abdallah of Jordan stayed, a hulking wreck of smashed windows, graffin-scarred walls, desiccated grounds and battered Roman letters over the main entrance that say: INTER PALACE

There is meager evidence that Mr. Arafat is even house-hunting. But that has not stopped real-estate prices from rising, already, or people from saying that he is surely on his way. Many are similarly confident that self-rule will kick-start the local economy and provide a first step toward an eventual Palestinian

Jericho keenly sensed something new in the air Monday, a notion enhanced by the platoons of television crews that descended on the normally somnolent town of 15,000 - more commotion, for all anyone knew, than at any point since Joshua fought the battle. Still, no one was celebrating. People realize that a bargain is not yet sealed, and even if it does come, they are not about to bet their life savings that Israel will allow Palestinian authority to spread in short order from here across the West Bank. Should self-rule stop at Gaza and Jericho, they say, it would not be worth

"People want to believe, but they still have doubts," said Ahmed Kurishi, a tailor, "Me, too. I don't know. Peace is very nice, God willing, but how can anyone

Rajai Abdo agreed. "It is very exciting," he said, "but we have to remain calm."

Mr. Abdo owns the only hotel in town, a 70-room building that had two or three guests overnight, an fair indicator of how tourism is doing these days. "This plan of Gaza and Jericho first will be popu-

lar," he said. "It's the only choice available to us. Personally, I think it's practical. But people lack confidence in their leadership, and so we must see. This small city — some say it is the world's oldest —

has the feel of a backwater. The six years of uprising against Israel have occasionally led to violence here. but no one would mistake Jericho for a hothed of radicalism. It could not be more different from rolling Gaza, to which it is now linked as a harbinger of peace.

It is an oasis in a harsh desert, a outcrop of trees of green and flaming orange, where winter vacationers used to come from Arab countries, especially lorden, a few kilometers away across the Allenby Bridge spanning the Jordan River. But that was before 1967 and the war that ended in

six days with Jericho and the rest of the West Bank in Israeli hands. Arab tourism all but disappeared. Then, after the start of the uprising in December 1987, Israelis stopped coming in droves, as they had used to on journeys across the valley.

There are no factories and few business opportunities. Unemployment is put at 50 percent. That figure, if anything, has climbed since Israel closed off the territories in March after a wave of lethal anti-israel.

"My business gets worse day by day," said Izak Shawa, owner of a grocery store in the main square. "Most people buy only essentials like bread, eggs, milk and oil. And when they buy, it's more and more on

What Mr. Shawa expects is a sudden infusion of outside money, from Arab countries, from Europe and even from Palestinians, who in some cases, he says, have been hiding their true wealth from the Israeli tax authorities. Indeed, Israeli officials assert that bringing in such help is a major goal. It is almost as important, he adds, as seeing Israeli soldiers and police officers march for good out of the fenced-in

station across the square.

"Until these rich Arabs, the Saudis and others, supply us with money," he said, "we cannot stand on our own. We want to work hard, to be serious workers. But we do need support."

They are prepared to wait, some say, perhaps not endlessly but certainly for the months that it might yet take for self-rule to come and then for Mr. Arafat to arrive—assuming that the PLO and Israel recognize each other, as planned.

This is our chance to prove that we can control our

Clinton 'Very Hopeful' on Mideast Deal

talks on Monday but said it was themselves." premature to say whether it would lead the United States to resume its dialogue with the Palestine Liberation Örganization.

"I am very much encouraged by what has happened there and very hopeful," Mr. Clinton said in response to a reporter's question at a photo session.

The administration has worked thetical and would only interfere

Asked if the United States might resume talks with the PLO, Mr. Clinton said, "If there is a new and different landscape in the Middle discontinued under former Presi-East, then I might be willing to entertain some questions."

He hastened to add: "I can't answer your question now. It's hypo-

WASHINGTON — President hard to facilitate it," he said, "but with the discussions now going on.
Bill Clinton praised the apparent ultimately whatever happens will I don't think it's appropriate for the breakthrough in Middle East peace have to be done by the parties. United States even to consider its talks on Monday but said it was themselves." have a chance to work out a resolu-

U.S. contacts with the PLO were dent George Bush because of a dis-pute over PLO reaction to terrorist attacks in the Middle East.

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Settlers Brand Rabin 'Traitor'

hak Rabin's office on Monday as he proposed an accord for Palestinian autonomy to his cabinet.

More than 2,000 settlers chanting "Traitor! Traitor!" turned out from the Gaza Strip and the West

Bank, where the Palestinians are set to assume limited

antonomy. Several people were injured and dozens dragged

away and arrested as fighting enupted. Some 400 policemen and border guards protected the prime minister's office against the settlers who carried placards accusing Mr. Rabin of "selling off" the territories under an accord between Israel and the Palestine Liberation Organization.

At the same time, a few dozen supporters of the peace agreement held a counterdemonstration on the other side of the road, which was completely blocked. Some of them were hit by stones thrown by settlers. In Jericho, 20 right-wing demonstrators, including two members of parliament, moved into an old synagogue on the northern outskirts of the town and staged a sit-in, Israeli radio and television reported.

The army declared the town, which is scheduled to JERUSALEM — Policemen used water cannons to be the seat of the new governing body, a closed battle settlers protesting outside Prime Minister Yitz-

Earlier, the army said that it had removed a group of 80 settlers who had set up a new enclave in the occupied West Bank to protest the agreement on Palestinian self-rule. The Jewish nationalists set up the enclave Sunday with tents and a generator between the Palestinian cities of Hebron and Bethlehem, a military spokeswoman said.

About 100,000 nationalist Jewish settlers live in fortified settlements among nearly 2 million Palestin-ians in the occupied West Bank and Gaza Strip.

In a related development, an extreme right-wing Jewish group said Monday that its followers had thrown a grenade at the house of Arye Deri, Israel's interior minister, as a warning to resign from the government over the new agreement.

A group which called itself "Repression of Traitors," known to be linked to the extremist Kach organization, took responsibility responsibility for the

Russian Pullout Back on Track, Lithuania Says

Washington Post Service MOSCOW — Russia and Lithuania, seeking to put their relations back on track, agreed Monday that all Russian forces would withdrawn from the Baltic republic by

Tuesday as originally planned, the Lithua-nian president, Algirdas Brazauskas, said. In an address on national radio, Mr. Brazauskas said President Boris N. Yeltsin of Russia had confirmed in a telephone conversation that the remaining troops — estimated at 2,500 one week ago — would pull out. The two presidents also rescheduled for next month a summit meeting that had been can-

"We managed to do this, although a week ago it seemed our relations had worsened considerably." Mr. Brazauskas said. "The withdrawal turns a new page in bilateral relations.

Russian officials here confirmed that the

that the last Russian soldier would leave by

Just over a week ago, Russia had renounced its commitment to pull out troops by Aug. 31 and had accused Lithuania of sabotaging talks on bilateral negotiations. The renunciation, on Aug. 22, was accompanied by an aggressive warning to Lithuania not to stage any "provocations." It drew condemnations from Washington and other Western capitals as well as from Latvia and

Vitali I. Churkin, a Russian deputy foreign minister, said in an interview on Friday that the troop withdrawal had been put back on schedule thanks to Lithuania's willingness to permit an "honorable departure, with all proper ceremonies." He also said that both countries had agreed to postpone discussions on financial compensation for past damages, an issue that had helped derail the talks.

Russian officials expressed dismay last pullout would be completed "in the nearest week at the vigorous negative reaction in the future," although they declined to confirm West to their repudiation of the Aug. 31

timetable. American officials had threatened an aid cutoff if the withdrawal did not contin-

Also, Russia has been eager to reward Lithnania for what it sees as a friendlier stance than that of its two Baltic neighbors. Unlike Lithuania, Estonia and Latvia have refused to grant citizenship to most ethnic Russians living there.

For its part, the Lithuanian leadership has been attacked by domestic opponents as well as by many in Estonia and Larvia for what they viewed as a policy of appearement to ward Russia. Mr. Brazauskas, elected in part on a promise to work with the Baltics' giant neighbor to the east, was therefore eager to show that a nonconfrontational attitude could bring results.

Mr. Churkin said Lithuania had taken practical steps to help speed the withdrawal including giving Russian officers the right to privatize their apartments and then sell them. Latvia and Estonia have not accorded such

poned after Alija Izethegovic, the president of Bosnia's Muslim-dominated government, was delayed in Dutch Debate on Immigration.

By Jeffrey Stalk

AMSTERDAM - Dutch legislators will debate on

If passed in its current form, the law will make it more difficult for some asylum-seekers to obtain refugee status and make it easier for the government to deport those who do not.

Western Europe have tightened their immigration policies against the flood of asylum-seekers from Eastern Europe, Africa and Asia,

Proponents of the bill argue that the numbers of cases of asylum-seekers has exploded and that some-thing has to be done to streamline the costly and timeuming procedures.

tian Democrats, who support the measure at logger-heads with some of their coalition partners in the Labor Party.

Holland are open to refugees but that isn't true." The proposed immigration law would establish a

new category called "humanitarian status" for some of the thousands of asylum-seekers who arrive each year

remain in the country until the political and economic situation improves in their own country. But critics charge that by putting some asylum-

seekers in the new category, the government will prevent them from applying for "refugee status" and

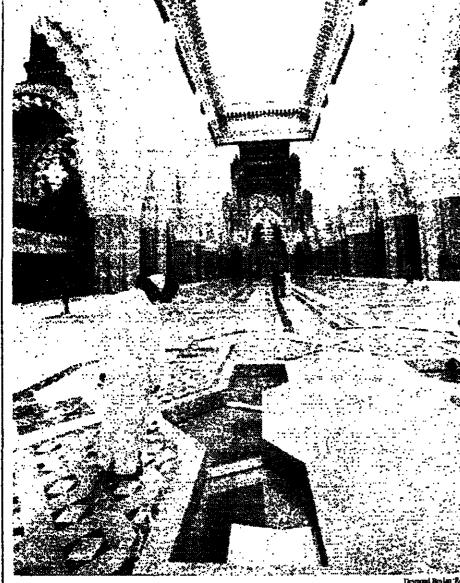
Afghan Is Injured In Blaze Linked To Neo-Nazis

Compiled by Our Staff From Despatches BONN - Fire destroyed the residence of an Afghan store owner here Monday, seriously injuring the man, and the police said neo-Nazis had apparently set the predawn

Swastikas and anti-foreigner slogans were found smeared on an outside wall of the burned-out house in Idar-Oberstein, north of the West German city of Trier.

seriously injured, the police in Trier

(AP. Reuters)



A MOSQUE OPENS — A man observing a pool in the Grand Hassan II Mosque in Casabianca. one of Islam's biggest, which the Moroccan king was to dedicate Monday night, the prophet Mohammed's birthday. Hassan was to turn on a laser beam aimed toward the holy city of Mecca.

Months of detailed negotiations were expected to follow any agreement in principle. Issues outstanding included the future of Israeli settleposal, with 45 percent opposed. ments, the extent of self-governing authority Palestinians will have in areas outside Gaza and IAP. Reuters, AFP U.S. Hedges Offer of Troops for Bosnia

a multinational effort to keep the peace in Bosnia." Mr. Clinton said during a brief White House news "But I want to see what the de-

"I made clear last February and I tails are." he said, "I want to get a will reiterate again that the United
States is prepared to participate in certainly open to that.

earlier this year that it would pro-

Although the United States said

vide troops if an agreement were reached, questions had risen re-

because so much has changed since the commitment was made. The Vance-Owen plan basically preserving the integrity of the Bos-

nian state has been replaced by a proposal dividing the republic into three ethnically based states. (Reuters, AP, AFP)

■ Warning to Muslims Alan Riding of The New York Times reported from Geneva: Bosnian Muslims return to the

bargaining table here Tuesday, but United Nations official gave them little hope of winning new concessions from Bosnian Serbs and Croats, noting that the internarenegotiate a peace plan drawn up earlier this month.

The official, who briefed reporters on condition that his name not be used, said that it might be possi-ble "to fiddle a little bit here and there" with the draft peace agree-ment, but he added that the mediators felt it would be "dangerous" if any of the parties arrived with a list of new demands.

Discouraging the Bosnian Mustims from asking for anything sig-nificant, the official also noted that the Serbs and Croats "went the extra half-mile" and made concessions during the last negotiating

session on Aug. 20. "These concessions aren't going to stay on the table indefinitely.

The peace talks, originally scheduled to resume Monday, were postponed after Alija Izethegovic, the He is now due to meet the Bosni-

an Serbian and Croatian leaders

and the presidents of Serbia, Cro-

atia and Montenegro in Geneva on Before leaving for Geneva, Mr. Izetbegevic told Sarajevo radio that the peace package being of-fered the Bostian Muslims was "worse than war." And he added: "I feel like a thirsty man who somebody is sending to a desert to look

This weekend, the Muslim-majority Bosman parliament reluctantly endorsed partitioning Bosnia-Herzegovina into three autonomous ethnic republics, but it balked at the proposed borders of the republics and demanded more territory in eastern Bosnia as well as access to the Adriatic Sea at

Tuesday an immigration bill that one legal expert has called "the most serious discrimination law" in the Netherlands since World War II.

The debate comes at a time when other countries in

But the proposed law has generated vociferous opposition from politicians, human rights activists and some legal authorities, and put the ruling Chris-

This is a case of the government trying to keep foreigners out as much as possible," said Petra Catz of Amnesty International, "It says that the doors of

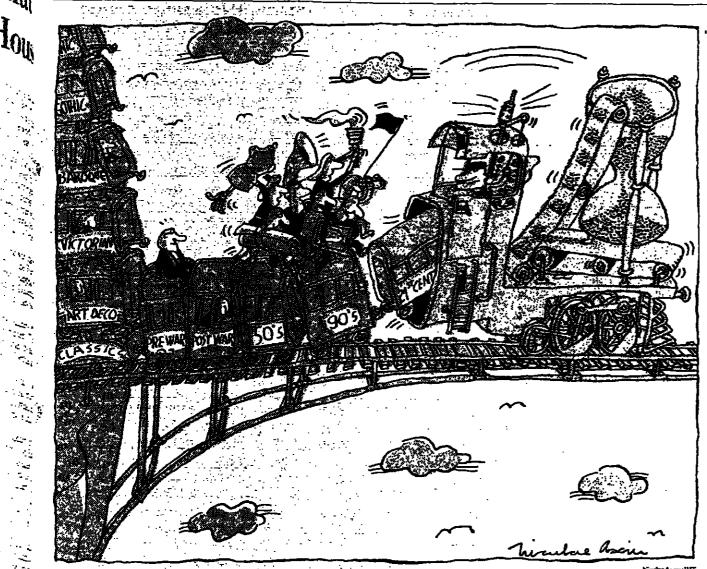
Foreigners assigned this status would be allowed to

the legal rights that go with it.

Those rights include obtaining a refugee passport, receiving a study grant and being allowed to bring their families into the Netherlands.

A 40-year-old Afghan immigrant who ran a street-level store and lived in the two-story building was





Clear the Track! It's Another Trend

By Marian McEvoy

EW YORK — Mosquitoes and monsoons aside, fashionable trends are the most releasiess force on earth. They never stand still, they're not often swayed by logic, and they've been around — and will be around — a lot longer than any of us.

Like them or not, style trends affect art, business practices, comic strips, opera, exercise equipment, biographies, rock videos, architecture, snack foods, poetry, swimsuits, movies, morals and herbaceous borders. Fashionable trends are a potent fact of life: they never stop germinating, and they never stop separating the hip from the hopeless. Taken too far, following fashion can lead to ridiculousness, but playe with cleverly, style trends can be mania for those prone to new ideas, adventure, and the shedding of old skin. Acknowledging an inevitable trend not only wards off Jurassic dom, but also leads to a better understanding of the time we live in.

some sort of gut-level reaction to a current event or sentiment. Historians relate seemingly trivial details such as heel heights, skirt lengths and lapel widths to times of war, depression, recession and class struggle. The world's topchefs have always concocted new dishes taking into account people's changing views on health, exoticism, sensuality and sobnery. Movie makers and magazine publishers make it or break it depending on how well they understand the mood of the moment. And, since the end of the '80s the world's best decorators have managed to turn the rather stodgy world of lampshades and lovescals into a truly topical arena.

By encouraging design influences from countries beyond England, France and Italy, decorating pros are actually giving the go-ahead to a whole new generation of well-traveled, curious

younger people who are mixing new finds with inherited amiques. This new crop of homeown-ers and adorners is not into overkill glitz or shoddy knockoffs; they think that flagrant, costly-looking objects and treatments look crass,

(and cheap-looking imitations look pitiful.)
For 1993-94, over-polished surfaces; most gilt, all large satin-covered modular sofas; deeply lacquered walls; entertainment centers made of plastic-looking wood; obelisks; oil portraits and bronze busts of people who aren't your relatives; tricky track lighting; animal-fur rugs and throws; dust ruffles; huge, low coffee tables; and big, new round marble bathtubs look pretty yticky. And they sure don't appeal to an audience steeped in eco awareness, a growing family and a powerful will to decorate in a manner that their mothers wouldn't dream of. And now that trendy decorating is relatively gilt-free, refurnishing, repainting, reupholster-ing and rethinking the way we live is a lot more fun than it was 10 years ago.

What do we have to choose from? Plenty. Let's start with color — lots of new colors, actually, Consider hot coral pink, flagrant chartreuse, intense manigold and hyper-turquoise teamed with black, or white, or both, If that's too raucous a palette, why not juxtapose tones of buff, cream, vanilla and eggshell in the same room? Why not paint every room in the house a different color?

New furniture styles? Yes! The biggest new trend is Colonial — and I don't mean American. Think Raj India. And Dutch Ceylon. And the Caribbean Islands when pirates used to anchor there. Teak plantation chairs, camp desks and mahogany four-poster beds with pineapple motifs are extremely desirable. Also hot: Syrian, mother-of-pearl inlaid chairs and small tables; and high-end '40s and '50s pieces from Italy and France. There's nothing clumsy or kitschy about these lamps and furnishings by Jean Prouvé. Charlotte Perriaud, Carlo Mollino and Gio

Ponti. (They've done splendidly at auction re-cently, and good knockoffs can't be far behind.) Upholstery directions? Bold, exotic and surprising: in the form of primary-toned awning

stripes on white; rich, vivid batik and North African patterns; and, why not? — huge floral prints (hydrangeas look particularly fab now.)
On the floor, walls and curtains — sisal and coir carpeting, grass cloth wallpaper and straw fringe and wooden bead trim outdistance more traditional, precious material. HIMSICAL touches? Plenty.

Think about trading in sofas for daybeds; display a large, rustic looking old bird cage (preferably occupied); stack antique architectural fragments on the floor, on a round table, or mount them on a wall; buy black and white drawings by contemporary artists; get a few medium-sized shag carpets in upbeat colors; invest in a tall, four-panel screen; collect a few smallish ottomans that can be used for any occasion; and, finally, order a set of crayon-colored dishes from one of the many catalogues featuring

If you feel like changing only one room, pick the dining room. It's back in style. If you have one, use it; if you don't, designate a specific ing space in your living room, library or even bedroom. Procure a real table - round is best. Find at least six wood or metal chairs that look happy together. Make a fragrant pot-au-feu and light the candles. Invite your mother over. When she arrives in your sisal carpeted, chartrense and coral-colored house furnished with daybeds, Syrian chairs, birdcages, Ceylonese lounges, awning-striped curtains and batik-covered ottomans, you can reassure her by serving an old-fashioned meal in a newly fashionable oldfashioned dining room. Tell her it's a trend.

Marian McEvoy is editor-in-chief of Elle De-

Wish Fulfillment: a Paris Specialty

By Patricia McColl

ARIS - What the French call une envie - a wish, a creative itch - determined the creation of four very different housiques, each aimed more or less at a particular hiestyle.

For interior designer Sabine Marchal, who originally had her design studio and her Nuit Blanche boutique at separate locations in the 16th arrondissement, the wish was to have both under the same roof. When a turn-of-the-century cremerie, its high walls and ceilings framed in historic Art Nouveau flo-

ral tiles, became available just over a year ago on the Rue de Bour-

gogne, she moved in.

I always felt that the decorating business and the boutique could be complementary," said Marchal, who has lined the walls of the shop with two fabrics of her own design and covered floors with a flowerplattered pale green carpet, again

her own design.

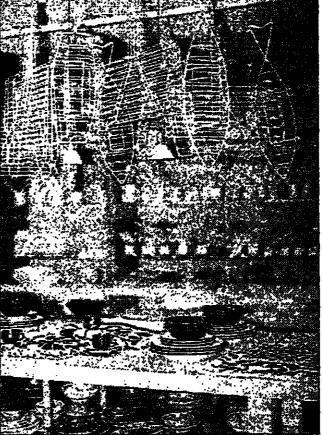
At the original Nuit Blanche, the emphasis was on the bedroom and bathroom with luxurious sheets. lush towels, decorative pillows and small accessories the merchandise

Here, casual shoppers who push open the door of the boutique might think they had wandered by mistake into someone's chicly cozy living room. There is usually a deep sofa flounced and frilled in a colorful printed pattern: low slipper chairs fringed with passementeric glass-fronted china cabinets filled with pretty tea services; low butler's trays topped with scented candles, small pewter tumblers and even a coffee table book: "The Art of Passementerie" co-authored by Marchal. The ambiance is one Marchal echoes in her decorating. "I love color, Warmth, Even if it was done yesterday, a house should look as if it has been lived in for at least 15 years. If someone asked me to do a contemporary or all-white

"There are no rules in this business," she continued. "One day, we can sell a very expensive custommade sofa: the next day, a handpainted door stopper for 50 francs.

house, I'd be very unhappy.

She has the doorstops made ex-clusively for her in India. No two are alike and at the 50 franc price tag, an initial order sold out in a few days. Other favorites are passementerie trimmed paper baskets (1.200 francs), ashtrays handpainted with the insignia of the Legion of Honor — "for the man



For the country kitchen, fish steamers at Autrement.

at 950 frames or 275 frames for one of those small pewter tumblers. After 25 years of specializing in what manager Nathalie Granger

calls "the last word in casseroles" sold in a clinical high-tech ambi-ance, the owners of Kitchen Bazaar wanted something else. The result: Autrement at 6 Avenue du Maine. As at Kitchen Bazaar, everything is kitchen oriented but with a dif-

ference. Kitchen Bazzar is for the serious chef: Autrement for the country kitchen. "We wanted kitchen items with a history," said Granger, pointing

out thick blue plates and casseroles from Vermont's Bennington Potters, established in 1896; waterproof wicker baskets used for the herring catch by English fishermen for hundreds of years; carved teak bowls from Kenya or the clay diable, an old-fashioned way of cook- at 45 francs. ing potatoes.

Long wooden tables, thick pol-ished slabs of blond oak, and a says Granger stone floor add to the rustic kitchen

who has one or wishes he has" - look. Overheard, more baskets and metal fish steamers cloud the low

> "We hunt down things you just don't find anymore like our moulin à gelèc — a kind of sieve that separates seeds from fruit to make clear jelly - a best-seller since we opened three years ago," said Granger.

Another popular item - looks like a metal divining rod but is a fer à crème brulée. Price: 68 francs. We've had letters from all over France on this one item." added Granger.

Because there is an array of cooking utensils for Moroccan. Chinese and Japanese dishes, Autrement offers a selection of hardto-find herbs and spices authentic to the cuisines. Another exclusive: unusual iams. A tomato/orange combination is the current favorite

No silver cutlery: no fancy porcelain; just things for everyday.

When En Attendant les Barbares

opened four years ago, passersby didn't know what to make of it.

"We would see these bewildered looking faces peering in, " said Frederic de Luca, co-owner with Roland Beaufre. De Luca has a hard time defining

what "En Attendant les Barbares' is. "It isn't a gallery, although we have some one-of-a-kind and limited edition pieces, it isn't a boutique. Just call it a store." What de Luca and Beaufre want-ed coincided with what other

young avant-garde designers like Mattia Bonetti and Elisabeth Garouste were feeling at the time; even jewelry designers Patrick Rétil and Migeon et Migeon felt the urge toexpand into decorative objects. "Our aim was a place full of.

color, a place almost like the fleamarket where the fun is in finding the object," said de Luca. A perennial hot item is Garouste and Bonetti's "moon" lamp, a full moon of frosted glass set in a gold

resin base at 3,500 francs. A hot pink resin soap dish from the same design duo: 250 francs. at 29 Rue Saint-Sulpice, is as "down home" as En Atten-

dant les Barbares is sophisticated. Opened in April by Nanou Crepin, the bounque has everything for a weekend house, or a relaxed city one, including what to wear. Clothes, however, are secondary to house-related items. First-timers to the boutique are in for a surprise. The narrow maze-

like entrance faced with a display window or two opens into an airy, three-level space with turn-of-thecentury Malaysian tub chairs. plassware, hand-painted plates and kitchen utensils on the first floor; bed linens, patchwork quilts and tablecloths on the second floor and casual weekend clothes on the top

Kilims cover the cement floors, linen tea towels tumble from overstuffed armoires while on the second floor, a carved resewood fourposter bed almost disappears under a load of pillows and extra blan-kets. As at Nuit Blanche, everything is for sale (price of the bed: 12,500 (rancs).

"A staircase in a boutique is always a risk," said Crepin, but from the first, customers haven't hesitated to climb up to the top levels."

Patricia McColl is a free-lance writer based in Paris.

French Cultural Quirks, Spoon-Fed

Continued from Page 1 are paying someone who knows the

put a lot of emphasis on Louis XIV, says Platt, who uses rather crude poster-sized flip charts to help make her points. "Protocol... was so elaborate and important then. For example, while a royal princess could receive a cardinal but not go to the door to let him in, the cardinal couldn't enter unless he was shown every courtesy. So how did they manage to see each other? She had to pretend she was sick in bed." That solution gave them both a way out: The princess couldn't get up, and he couldn't

fered by another American expatri-ate, Gay Tischbirek. If her old teacher finds the name Platt chose, Culture Crossings, 100 close to her own — Cross-Cultural Consulting it is certainly understandable. In any case there is no love lost between the two women, both of former government ministers re-whom trained at Georgetown Uni-count, their rich and privileged

Platt established her company

wooded 25-acre park in the Loire. Valley, Japanese women come to soak up French culture in the hotelrestaurant owned and run by Minako Imada, who can spin Sugar, literally, into a quite imbelievable replica of a 403-year-old castle quicker than you can say Villandry. Several factors have made Imada something of a celebrity in her own town; her "cake school" in the cen-

tral Harajaku quarter of Tokyo (Roselle is seen as the finishing school to which one advances); her television appearances, and her sumptuously illustrated cookbooks with recipes for Diane de Poiners cheesecake, Ludwig II's chour swans and Catherine de Medici's sabayon. Further bolstering her fame and authority is a line of sugar and flour (the secret is in the percentage of Western White wheat) sold exclusively, alas, at the

"Madame Imada loves Occidental history, is famatic about 18th-century France, and is especially

passionate about Marie Antoi

enough to buy it.
One of Oshima's jobs is to get local Loire aristocracy to come in and unravel for students the complexity of le style Saint Laurent and the niceties of silk facomes. "But even I ask myself why these Japa-nese women want to know what to wear to a wedding," she says.
They'll never be invited to one.
But apparently it interests them.
The tony Paris dealer Oliver Aar-

on and the furniture expert and author Bill Pallot talk on antiques. the resident chef Bernard Noël (late of the Tour d'Argent and the Chapeau Rouge in Dijon) hosts demonstrations, and the spouses of ersity. hves. The Comtesse de Crony-Cha-Meanwhile, in a handsomely del of nearby Chatean de Montaux details her experience as the wife of the former French ambassador to

Pupils may also attend a ritualist ceremony, complete with tasting, in which knights are inducted into a Chinon wine society. Finally, they are asked into private bomes in the region to witness the practical application of what they have learned -coffee served in the salon, never

NEW FALL WINTER FAX: (1) 42 84 24 15 Sale on Summer Collection

Marie-Martine

8, rue de Sèvres,

nette," says Yukiko Oshima, who at table, that sort of thing, Gradu-works out of a Paris office as Ima-ates hear a small speech by Imada da's Tokyo-Cellettes intermediary, before being called up one by one Imada was looking for property to receive their diplomas from, per-buy in France when she fell on Roselle. She considers the rose her flower — the building that houses

the classrooms in Japan is called La do's and don'ts: Don't take off Maison de la Rose — and she your jacket unless invited to by found in the name Roselle reason your host. Don't go to the bathroom, ever, ("This also goes back to Versailles. You must simply train yourself not to go. It's too complicated to explain. I would need a week.") Don't serve egg dishes or a soup as a first course. Don't hack the tip off a wedge of brie. ("The French just wait for Americans to do it so they can laugh their heads

off.") Don't ask your hostess for a On the other hand, do instantly express appreciation of the food (if good). As the woman of the house, do seat any church official on your right. Otherwise, he might turn his

plate over and refuse to be served. Flowers are a mine field. Chrysanthemums are for funerals (this would probably be true in any Catholic country). Yellow means the host has a mistress. Carnations

"Flowers are not always we come in France," says Platt. "The hostess will probably prefer to look after the roast and guests rather ety, they are a ludicrous gesture. If you are uncertain about whether to bring something, err with choco-late. For heaven's sake don't bring wine. I have the hardest time convincing Americans not to bring anything.

Christopher Petkanas is writing a history of the New York decoration firm Parish-Hadley, and a book on the culture of cuisine in Provence.

On October 22nd, the IHT will publish an Advertising Section on

Personal & Laptop COMPUTERS

Among the topics to be covered are: Generating portable peripherals.

A survey of the current generation of laptop computers. Price slashing — a report on shifting

market shares. ■ Pen-based systems — a technological leap in interface design. ■ Pressure on chips manufacturers to

keep pace with miniaturization. This section coincides with Orgatech . in Cologne, October 22-27. For advertising information, please contact

Juanita Caspañ in Paris at (33-1) 46 37 93 76. Herald Eribune.

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محدام الرعل

More than any other country in Southeast Asia, Malaysia has been able to balance rapid economic growth with social, religious and environmental considerations. It has taken nearly 30 years to achieve this symmetry, and the task is not yet complete. Major challenges lie ahead as Malaysia looks toward the = 21st century.

ADVERTISING SECTION

REAPING THE BENEFITS OF AN ECONOMIC OVERHAUL

ther parts of the developing world are growing just as fast as Malaysia, and other countries have achieved a higher pro-file of success. It would be difficult, however, to find a place with better economic num-

Malaysia's gross domestic product is growing at a steady clip of 8 percent a year, while the gross national product is expected to reach \$3,000 per capita this year – nearly double that of Thailand and far ahead of other regional rivals like Indonesia (\$645) and the Philippines (\$835).

Exports topped \$41 billion in the 12-month period prior to last April, a figure better than that of any other nation in Southeast Asia except Singapore (\$63 billion), which chalked up much of its trade total in reexports rather than locally produced goods.

inflation is running at a modest 5.3 percent annually, and the foreign debt is a relatively small \$15.8 billion, which pales in contrast to what the competition owes (Indonesia: \$70 billion; the Philippines: \$29.8 billion; Thailand: \$27.3

The lifestyle picture is also rosy. Malaysia's education and healthcare systems are considered among the best in

Southeast Asia. As the country's literacy rate creeps upward, the infant-mortality rate

plunge.
People also have more moneŷ in their pockets. This is true not just for the elite, but also for a middle class that has been growing by leaps and bounds, especially in big cities like Kuala Lumpur, Penang and Johor, where the fruits of the industrial revolution are most evident.

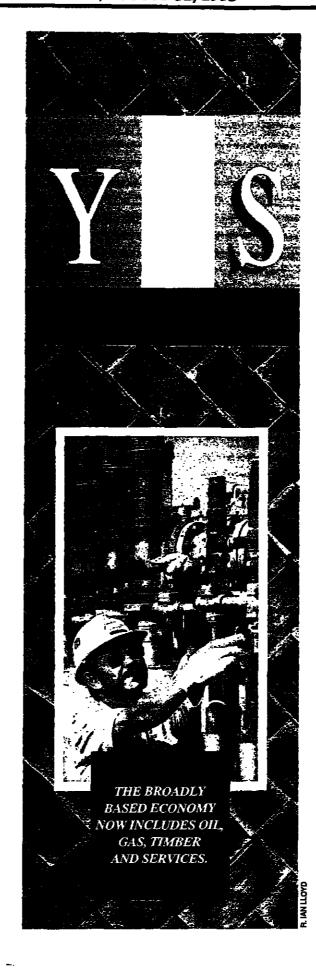
Malaysians are now buying more than 100,000 new cars each year, and there are equally buoyant sales of other consumer items like refrigerators, airconditioners, television sets and videocassette

At the same time, Malaysia has been able to avoid the religious strife and ethnic violence that plague so many of its Asian neighbors, despite a highly diverse population of 18 million people that includes Malays (59 percent), Chinese (32 per-cent) and Indians (9 per-

"I believe it is a question of leadership," says Tajudin bin Ramli, chairman and chief executive officer of Technology Resources Industries Berhad, one of Malaysia's fastest growing communica-

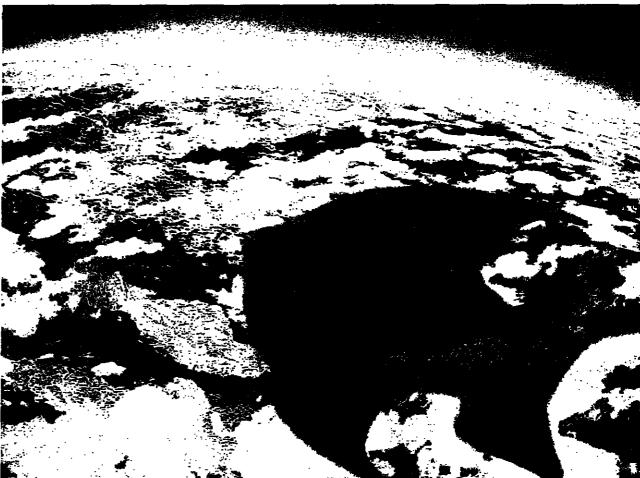
tions companies. "Our leadership has allowed people to expand their horizons by providing the platform for people to move for-ward. The Malaysian government has done a

Continued on Page V









IMAGINE THE shape OF THE FUTURE. FOR THE airline THAT ALREADY FLIES MORE PASSENGERS THAN ANY OTHER AIRLINE FROM SOUTHEAST ASIA.

SAVING THE WILDERNESS: AN ECOTOURISM LABORATORY

The modern tourism industry faces a community faces. How does one cater to travelers clamoring for places where the culture and environment are untouched without altering those destinations? The problem is called the "loving a place-to-death" syndrome, and the antidote to it is called "foresterner."

Malaysia – especially the virtually unspoiled penin-sula – is an ideal laboratory for implementing eco-tomism. Its rain forests and coral reefs are among the richest habitats in the world. With more than a third of the country still covered with tropical virgin forests, it is only fitting that we should highlight our natural resources," says Sabbarudin Cluk, Malaysia's minister for culture, arts and tourism.

The World Wildlife Fund defines ecotourism as "any

This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. · Teresa Albor is a free-lance financial journalist who

covers Southeast Asia. Joseph R. Yogerst is a free-lance journalist based in Singapore.

kind of tourism that involves nature." The travel industry has used the term to describe everything from cruise ships to wilderness-survival packages. The aim of serious ecotourism is to conserve the natural environment and the well-being of local people through responsible

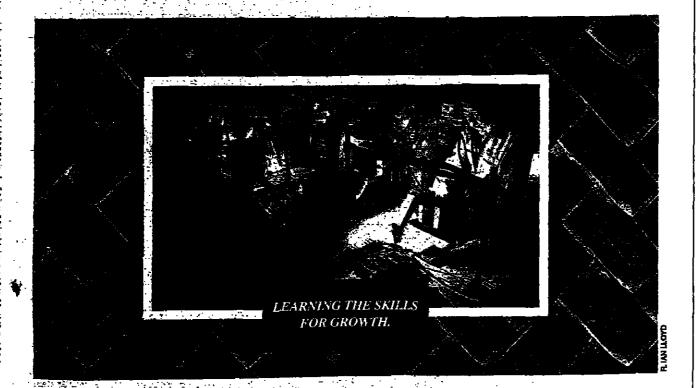
"Good or bad, tourism's global impact is momen-tous," says David Western of Wildlife Conservation International. Mr. Western is currently president of the Ecotourism Society. "The social and environmental costs of tourism can be ruinous," he says. "Skin divers and curio collectors have destroyed many Caribbean coral reefs. Tourism [could mean] saving wildlife, wilderness, cultural artifacts and ancient traditions that would otherwise be destroyed by fields, cities and the welter of humanity."

wester of minimality.

Tourism is expected to be the leading industry worldwide by the year 2000. Already, \$3 trillion in trade each year and 3.7 percent of all employment comes from tourism. The impact is greatest in the developing world, where expenditures of more than \$55 billion bring about a major transfer of wealth from rich to poor

In Malaysia, tourism is the third-biggest foreign-exchange earner, after manufacturing and petroleum;

Continued on Page VI



PRIME MINISTER

ADVERTISING SECTION

ASIA PACIFIC. A US\$3 TRILLION MARKET WITH 1.6 BILLION POTENTIAL CUSTOMERS ACCOUNT TWO-THIRDS OF THE WORLD'S WEALTH. MAKES SENSE TO TAKE ADVANTAGE OF IT

Sime Darby. Southeast Asia's largest multinational. With more than 80 years experience in the region, widely diversified businesses, market US\$2 billion, a 30,000 workforce plus a comprehensive regional operational network spread throughout the Asia Pacific. Sime Darby wi to the region's multi-lingual and multi-cultural 1.6 billion customers, effectively. SOUTHEAST ASIA'S LARGEST MULTINATIONAL COL

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apparent success can be

eventually evolve into a

free trade area. This is not

a trade bloc. It is nothing

more than enlarging the

domestic markets of mem-

ber countries so as to be

almost as big as those of

the rich countries. The

markets of ASEAN coun-

tries will remain open, for

we are all dependent on

outside trade. Groupings

such as these will continue

to be formed, especially as

smaller countries feel left

out of the mainstream of

world economic develop-

ment. But at the same time,

we have to think of the

large trade blocs, which

Marker-access barriers.

although finally erected by

governments, are not initi-

ated by them. They have

generally been instituted at

the request of industries

themselves for their own

protection. For countries

with small domestic mar-

kets, however, it would be

fatal to pursue this course

would be disastrous.

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are also being formed

PRIME MINISTER'S VISION FOR THE YEAR 2020: 'IS THAT TOO MUCH TO ASK?'

alaysia's Prime market. To adapt to an switching to market
Minited inward-looking trading economies. As the basis of
Mahathir bin policy is only to shackle relationships between Mohamad has traveled our hands and limit our extensively throughout ability to create an econo-Europe and Asia, promy that is vibrant and moting Malaysia as an resilient. Therefore, it is investment haven and imperative that industries voicing his support for free trade. The following in such countries be prepared and be confident excerpts from his reenough to request their marks to a group of governments to dismantle European business execbarriers in favor of free utives shed light on his trade. It is the only way to aspirations for his comcontribute toward a more try and the Asian region. liberal world trading sys-Today, Malaysia is said tem. At the same time, it is equally important for us to to be one of the fastestgrowing economies. This

attributed to many factors. What I would like to high-'Protectionism light, however, is the model of close cooperation and collaboration we have will impoverish evolved with our neigheveryone' bors in the Association of Southeast Asian Nations. ASEAN today has reached agreement on a Common Effective Preferential Tarpromote the principles of iff scheme, currently being implemented, which will

GATT and do everything to ensure the successful conclusion of the Uniquay Round of Multilateral Trade Negotiations and reverse the trend toward protectionism through trading blocks. The European Commun-

ity is the largest trading

group in the world. It accounts for about twofifths of global trade. Therefore, European trade policies will have a large impact on the evolution of a liberal global trading system. The non-European trading countries have expressed concern over the ramifications of a single Europe and its proposal to establish the European Economic Area with the inclusion of the seven European Free Trade Area member countries. Almost as a reaction to this development, we have now witssed the establishment of the North American Free Trade Agreement. A fortress Europe will definitely result in a fortress

of action, as a relaliatory In the last 10 years, we response by larger markets have witnessed the central-The world should be our ly planned economies

America.

countries shifts away from a purely political one to a more economic one, we will see the liberation of those smaller economies willing to become productive and competitive. In this new relationship. power can only be realized within a framework of mutual respect and trust, but never through force or coercion in any form.

With the democratic liberation of countries and economies, what will happen if the Uruguay Round fails and various trading blocs are formed? I expect a chain reaction of protectionism worldwide. More groups and blocs will form a defensive posture. But we must remember that a fortress not only protects but also cuts off the occupants from the outside world. In trying to exact a price from the outside, those inside will have to pay a price, too. Pro-tectionism will therefore

impoverish everyone.

There is an alternative -

that of trade liberalization. The Uruguay Round seeks it, and we should all work hard to realize it. Regionalism, or the formation of regional trading areas, need not become protectionist. Trading proups can become tradeliberalizing to enhance a region's competitiveness. This is our vision for the ASEAN Free-Trade Area. It is intended to reduce trade barriers and make ASEAN a more competitive trading partner in the world. This is the only alternative that the world can adopt to safeguard the trading environment.

Economics cannot, however, be divorced from politics. While we all preach a freer trading environment, another side of life needs equal attention. Poverty, starvation and hunger are still very real in our modern world. Let us not become a world where, in the same city in which

people wine and dine in splendor, there is stark poverty and homelessness. In many ways, the modern world has allowed such contradictions. But is that what we want?

At least, on behalf of all

Malaysians, I can confidently say that we have rejected this. We have opted for a developed society where we are also a caring and sharing people - a nation where there is no abject, uncared-for poverty. We believe justice should have an equitable face, but can we expect that in our new world order? Can we truly dream of a new world order where every human

being has his place under the sun? Is this too much to ask? We do not think so. In Malaysia, we have a vision called "Vision 2020" - i.e., we expect to be a developed country by 2020. We will work hard to achieve our vision, but much depends on the world community and the attitudes of the powers-that-be toward us. If at times we speak strongly, it is because we feel concerned over our own fate. If this concern coincides with that of others, it is not by design. It is because we belong to that category of nations that are the have-nots of this

Compiled by T.A.



وعدامن لرجل

PRIME MINISTER MAHATHIR: *IF AT TIMES* WE SPEAK STRONGLY, IT IS BECAUSE OF CONCERN OVER OUR OWN FATE'

OFFSHORE OPPORTUNITIES FOR INVESTORS: LABUAN GOES ONE BETTER

ff the coast of Sabah, a revolution is taking place. Labuan island, a Malaysian federal territory, is being transformed from a serene tropical paradise where shipbuilding and light industry kept the economy going to a bustling hab for the offshore

financial industry. Over the next four years, financial park will rise in the center of Labuan town, with three office blocks. two blocks of luxury apartments, an auditorium, and shopping and recreational facilities. Hotel capacity will be tripled, and stateof-the-art communications will be put in place. Just a few kilometers

from Sabah and Brunei Darussalam off the Bornean coast, Labuan is less than three hours by plane from most capitals of the Association of Southeast Asian Nations.

"We need to stimulate the financial sector," says Malaysia's Prime Minister Mahathir bin Mohamad. 'It seems logical that Labuan, which is already a free port, should be converted to an offshore finan-

cial center. With Singapore and Hong Kong already established as regional financial centers, one might legitimately ask if there is room for yet another financial hub in Southeast Asia.

"We are not ready to compete with Singapore or

Long before any ground was broken, the center's policy framework was hammered out. Labuan was given the status of an International Offshore Financial Center on Oct. 1. 1990. This means that it offers either low taxes or none at all on income. profit or dividend and interest earned or derived

Labuan is one of the most liberal offshore centers

Hong Kong," says Mr. Mahathir, "But we think there is a place for Labuan in this area, and I think we are much better positioned than many of the centers in very faraway places." Labuan's location is just

one of its selling points. To attract leading banks and corporations, Labuan has had to go one better in terms of what it has to offer. Consequently, Labuan has some of the most liberal laws and regulations of any offshore

financial center.

from the offshore business activities or transactions carried out by the offshore corporations in or from the territory. Most businesses would find the level of confidentiality offered more than reassuring. The Malaysian government is confident that current regulations maintain the balance between the confidentiality needs of an IOFC's customers and the need to

prevent offshore finance

facilities from being

abused. The secrecy provi-

sions include limitation on

public inspection of files and prohibition from disclosure regarding the shareholding or beneficial ownership, management and any of the business. financial or other affairs of the company. In general, offshore

companies do not need to maintain a physical presence in Labuan; the exceptions are those carrying out banking, insurance, fund management and other specific businesses. There is no minimum capital requirement, and the company may issue shares of different classes and rights. Although no bearer shares are allowed, anonymity can still be maintained through the use of a nomi-

nee or a trust company. Another advantage Labuan has over other centers is that it is not only an independent island state. but also part of Malaysia one of the most politically stable and fastest-growing

accessories

countries in the world. A selling point that the Malaysian government hopes will not be overlooked is the island's tremendous tropical beauty. Water sports such as diving are among the numerous leisure activities available. The island currently has 500 hotel rooms. and there will be 1,500 by 1997. A marina with an all-suite hotel and two 18hole golf courses are

planned. Communications will also be greatly improved. Labuan has two telephone exchanges with 16,000 lines. The current transmission system makes use of satellites. Labuan will be using both microwave and fiber-optic transmission in the near future, greatly increasing line capacity. Confidentiality laws pre-

vent listing the companies that have set up operations in Labuan over its initial two years; as of June 30. 1992, however, there were 80 offshore companies, including seven offshore banks, one offshore insurance company, 11 trust companies, 12 professional firms and 49 other entities. The total value of offshore loans approved was \$299.6 million; foreign currency deposits totaled \$447.7

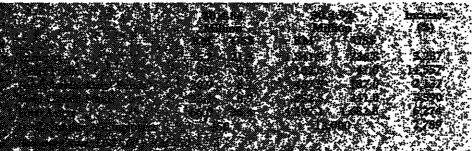
BERJAYA GROWS IN TANDEM WITH MALAYSIA



The Berjaya Group of Companies' history dates back to 1984 when our current Group Chief Executive Officer Tan Sri Dato' Vincent L Tan Chee Yioun acquired a major control of shareholding in Berjaya Industrial Berhad.

Through the entrepreneurial leadership of Tan Sri Dato' Vincent Tan, the Group has been transformed into a diversified entity through partnerships, acquisitions, joint ventures and new start-ups.

The track record from 1984 reflects Tan Sri Dato' Vincent Tan's vision and stewardship. The Group's financial growth over the past 8 years are highlighted below:



A few of the operating companies include:

CONSUMER MARKETING

Today Singer Malaysia Sdn Bhd is the largest, longest-established distributor and retailer of consumer durables with the widest canvassing

Catalog Shop Sdn Bhd has evolved from direct mail to retailing in Singer shops and sales through canvassers.

Unza Group of Companies' operations today encompass manufacturing, marketing, sales and distribution of a comprehensive range of quality, branded roilerries and household items.

IL Morison Son & Jones (Malaya) Sdn Bhd has 6 distribution centres throughout Malaysia. Texan (M) Sdin Bhd markets a full range of men's apparel locally, and Cartel Corporation

Sdn Bbd, ladies apparel. Berjaya Sound Entertainment Sdn Bhd produces karaoke films and songs.

Homevideo Nerwork (M) Sdn Bhd, involved in the sale and rental of videos, has been appointed the licensee by Warner Home Video Inc. USA and Walt Disney's home video.



LEISURE

Bukit Kiara Equestrian & Country Resort is the group's first wholly-owned recreation club with equestrian facilities, Kelab Darul Ehsan, a 60-acre 9-hole golf and recreational club, Staffield Golf & Country Club, a 340-acre suburb project and Bukit Jalil Golf & Country Resort to be an 18-hole golf cum recreational club.

Berjaya Imperial Beach Resort has 207 acres of parkland with a beautiful golf course.



Berjaya Imperial Beach Resort Tioman Island

Redang Island will be developed into 2 integrated tourist cum holiday resorts to be known as Berjava Inn Golf and Beach Resort, and Berjaya Premier Beach Resort.

A 70-acre site on Burau Bay Langkawi Island under construction, will be known as Premier Beach Resort. Internationally, it has two choice properties in

the South Pacific, Berjaya Inn in Suva, Fiji, and Berjaya Imperial Beach Resort & Casino in Mauridus. In Kuala Lumpur, exquisite Oriental restau-

rants, Tsui Hang Village Restaurant, Oriental Pearl, Fortune Courts, Hanatei Japanese Restaurant and Jewel in the Crown, a North Indian cuisine restaurant, were set up.

Inter Pacific Travel & Tours Sdn Bhd conducts tours, ticketing and foreign exchange through its outlets.

Berjaya Air Sdn Bhd is a multi-service air charter company, to facilitate transportation for leisure or work. For a membership fee of RM12,000, Berjaya

Vacation Club Sdn Bhd offers a holiday, locally and overseas, for seven nights a year for 38 years, in addition to its affiliation with Resort Condominiums International.

GAMING

In 1969, Sports Toto Malaysia Sdn Bhd was incorporated to run the toto betting business which was essentially the Government's effort to raise funds to promote and develop sports, youth and cultural activities.

Since privatisation in 1985, sales of Toto berting tickets has increased by over 700%. Sports Toto Malaysia has over 700 ourlets throughout Malaysia.

PROPERTY

The Group has over the years successfully acquired prime commercial buildings located in Kuala Lumpur: Kota Raya Shopping Complex, Plaza Berjaya, and KL Plaza.

The Group currently owns and develops vast tracts of development land in Malaysia: Pines Condominiums, Petaling Indah, Robson Condominiums, Ixora Apartments, Menara Greenview and Sri Dagangan Kuantan Business Centre, a 45-acre residential cum commercial development. Others include Sri Pelangi Phase 1, Taman Kinrara and Taman Cemerlang, Berjaya Green Development Sdn Bhd, a landscaping and golf course development company, manages 3 golf resorts, Tropicana Golf & Country Resort, Berjaya Inn Golf & Hill Resort and Bukit Banang Golf & Country Club.

The Group is involved in the construction business through Bridgecon Engineering Sdn

INDUSTRIALS

Berjaya Textiles Berhad is one of the largest vertically integrated textile groups specialising in casual knitwear and active outer wear for internationally-renowned brands.

SIG Holdings Bhd, a listed associate is involved in garment manufacturing for outer wear. Singer Furniture (Malaysia) Sdn Bhd manufactures and sells timber-based furniture for domestic and international markets.

Finewood Products Corporation Sdn Bhd produces and sells furniture and timber-related products, with a significant export market. Lionvest Corporation Sdn Bhd is involved in

logging and timber related operations. Shinea Sdn Bhd assembles electronic and

electrical items for leading brands. Topgroup Holdings Sdn Bhd manufactures

domestic and commercial air-conditioners and



Manufacturing of air-conditioners

Inter-Pacific Packaging Sdn Bhd and South Island Packaging (Penang) Sdn Bhd, are involved in producing corrugated carton boxes, industrial packaging and printing. South Island Plastics Sdn Bhd manufactures plastic bags and

Le Run Group Industries Berhad manufactures and sells bicycles and tubular furniture.

FINANCIAL SERVICES

In March 1991, Inter-Pacific Capital Sdn Bhd was formed as a result of the merger of Inter-Pacific Securities Sdn Bhd, Eng Securities Sdn Bhd and United Traders Sdn Bhd.

Berjaya Prudential Assurance Berhad. a ioint venture with Prudential Assurance Co. Ltd. Britain, provides life insurance services and is presently among the top 6 in the Malaysian life insurance industry.

Berjaya General Insurance Sdn Bhd, a joint venture with The Tokio Marine and Fire Insurance Co Ltd, Tokyo, is one of the top 10 and tastest expanding general insurance firms.



Inter-Pacific Securities Sdn Blid's trading floor

NEW VENTURES IN THE FAR EAST AND BEYOND

The Berjava Group will be investing up to US\$100 million (RM260 million) on various projects in China. Its initial principal involvement in China will be to implement and operate a social welfare lottery in Guangzhou, that will be undertaken by Berjaya Lottery Management (HK) Ltd - a joint venture company hetween Berjava Group Berhad (60%) and Berjaya Sports Toto Berhad (40%).

Berjaya Lottery has a 40% stake in International Totalizator Systems, Inc (ITS), a US NASDAQ quoted company. ITS designs and manufactures computerised ticket issuing systems, and is the project manager for computerised online lotteries in several countries.

BERJAYA GROUP BERHAD . BERJAYA INDUSTRIAL BERHAD . BERJAYA LEISURE BERHAD . BERJAYA SINGER BERHAD . BERJAYA TEXTILES BERHAD . BERJAYA SPORTS TOTO BERHAD . SIG HOLDINGS BERHAD For further information, please contact: Group Investor Relations, Level 16 Shahzan Prudential Tower, 30 Jalan Sultan Ismail, 50250 Kuzla Lumpur, Malaysia. Tel: (6)03-2422622/2423155 Telex: MA32411 BCBKL Fax: (6)03-2444334



GOLF-COURSE DEVELOPMENT IS IN FULL SWING, BUT THE ENVIRONMENT COMES FIRST.

THE GREENING OF THE GREENS ADDS COLOR TO ROYAL GAME

"Royal and Ancient game" was introduced to Malaysia by British traders and planters over 100 years ago. Jack Nicklaus. Thomson and Arnold Palmer have all been involved in the design of courses here.

Some play in the middle of town: others prefer to trek to remote locations for the sport. We are talking about golf, and so are most property developers in Malaysia.

There are more than 100 courses in the country and a buge number in various stages of development. The growth of both international and domestic tourism has laid a foundation for the golf industry.

The "green" consciousness of Malaysia is reflected by the fact that course development, which calls for a certain amount of forest clearing, has caused some controversy and forced the State Department of Environment to announce recently that a comprehensive study on ongoing golf-course projects will be carried out. Although officials of the DOE, which keeps tab on all new infrastructure projects, say there is no evidence that developers are cutting trees indiscriminately, the officials want to make it clear that the envi-

ronment comes first. Emphasis will be placed on tourism projects where recreational facilities would include golfing," says Omar Mohamed Zain, director of the DOE.

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A Elika Albanda Alband

"An environmental impact assessment has to be conducted on the whole pro-

While this requirement may slow development, it is not resisted by developers, who recognize the importance of the EIA, according to Mr. Omar. He gives the example of the Pedu Lake Golf Resort at the Pedu Dam, a 114hectare (282-acre) project that includes a 27-hole golf course and a 100-room hotel. The contract to develop the dam into a tourist resort was granted last August.

The developers had conducted an EIA and obtained approval to carry on with the project after it was found that it would not damage the environment." says Mr. Omar.

Officials say impact assessment is also needed because, unlike older developments that involve only a course and clubhouse, today's developments are total resort complexes that could put pressure on the overall envi-

The Starhill Golf and Country Club, one of Malaysia's newest, is a good example. It is indeed a golf-based resort ~ the centerpiece is a 36-hole course - but guests will someday be able to swing a club and visit the water theme park, take the children to "Kids Land," enjoy the Sports Center, stay in a five-star hotel within the compound, or even buy or lease a condominium unit.

The project spreads over

487 acres and is being built at a cost of 200 million Malaysian dollars (\$76 million) by two Japanese-Malaysian companies, the Hoshigaoka Bussau Co Ltd. and Hoshigaoka (S)

Pte Ltd. Not all of Malaysia's courses are in the country-

Several - such as the Saujana. the Royal Perak, the Royal Johor and the Ayer Keroh – are smack in the middle of bustling cities and towns, providing a welcome spot of green.

> Malaysia has over 100 golf courses

The most famous is the Royal Selangor Golf Club. which is celebrating its centenary this year.

The Royal Selangor Golf Club, Malaysia's oldest golf course, has grown with Kuala Lumpur. In 1893, the coffee-planting Glassford brothers and A.T.D. Berrington, then chief magistrate of Selangor, set out the course, which is less than a kilometer from the city center. The old 18-hole course was complemented by two new 18-hole courses; the latest was opened in 1965, just three years after the title "royal" was bestowed on the club by a man with quite a few titles of his

When discussing and negotiating world-wide issues, all the

For your business conference

own: His Majesty, the Yang di Pertuan Agong, Tunku Syed Putra Ibni al-Marhum Syed Hassan Jamalulail, the Raja of Perlis.

Today's club membership includes royalty, cabinet ministers, diplomats and business executives; several of the country's most prestigious tournaments are held here. Despite its exclusive membership, the club has a tieup with several of the city's leading hotels so that a maximum of 10 guests can play on a first-come, first-served basis.

Environmentalists, who might oppose cutting new trees to lay out a course, applaud this club, with its cowgrass-covered fairways. Heavily lined by mature trees, the course is a lung for the city.

For information on plan-

ning a golfing vacation in Malaysia, write to the Malaysian Tourism Promotion Board, Putra World Trade Center, 45, Jalan Tun Ismail, 50710, Kuala Lumpur requesting a free copy of "Golfing," a publication of the Ministry of Culture, Arts and Tourism. The publication includes a state-by-state description of courses, complete with selected course layouts; a directory of golf clubs in Malaysia that lists current green fees, telephone numbers and course descriptions: and the addresses and telephone numbers of the Malaysian Tourism Board's overseas offices. T.A.

'Visit Malaysia Year' Unveils a Star-Studded Sequel

7 hat does Malaysia have in common with Sylvester Stallone and Arnold Schwarzenezger? All three of them are booked on sequels instant replays that they hope will repeat their blockbuster triumphs of the past. In Malaysia's case, the original mega-hit was a special tourism promotion called "Visit Malaysia Year 1990," which drew a record number of foreign visitors to the Southeast Asian nation, pushing Malaysia ahead of long-time regional rivals like Thailand and Singapore for the first time.

Tourism authorities expected "Visit Malaysia Year" to spur a permanent tourism rush. They were wrong, but for reasons they could never have foreseen at the time.

More than 7.4 million people came to Malaysia during the first special tourism year (1990), but the number of visitors plunged to 5.9 million the following year (1991) as the Gulf war put a crimp in international travel plans and as recession took hold in America. Arrivals grew by a modest 2.9 percent in 1992, but there was still a decrease in many of Malaysia's traditional markets; arrivals from Europe, for instance, registered a 35-per-

Malaysian tourism needed a kick start. After lengthy

discussion. Ahmad Bakri Shabdin, director general of the Malaysian Tourism Promotion Board, and his colleagues decided that another special promotion would do the trick. That was how a new star - "Visit Malaysia Year 1994" - was born.

"The preparations are going very well, especially international promotions, says Mr. Bakri. We are chasing 8 million visitors next year, but I'll be happy if we can match the 1990 num-

ber, given the current global situation. We were very fortunate in 1990. It was the peak before the world went downhill in terms of economic growth. Everything seemed rosy then."

Mr. Bakri traces the 1990 success to a massive advertising blitz that included everything from full-color spreads in top European magazines to billboards in suburban America. Budget constraints, however, have forced the MTPB to devise a new marketing strategy for the 1994 promotion.

"Given that it's a very soft market all over the world, we find that it is not enough to push through advertise-ment alone," says Mr. Bakri. "You need an agent to pull the guy to buy the ticket. So we have switched to a strategy of direct support for tour operators, a campaign of going out to the markets and doing a sales blitz, and bringing tour operators back to Malaysia to see what we have to offer.

The MTPB has staged numerous familiarization and educational trips in the past year, bringing in groups of tour operators from Britain, France, Holland, Belgium, the United States, Taiwan, South Korea and Hong Kong, as well as a Spanish-speaking group from Spain and Latin America.

"We realized there are established tour operators abroad who know Malaysia, but also a lot who don't know what's happening," says Mr. Bakri. "For them, we developed one-week packages for 1994 based on Visit Malaysia Year events. They are spread throughout the year, covering various activities, sports and festivals. We identified 54 Malaysian tour operators who were willing to work with us on this program, and together we developed 18 different packages hooked around events.

In addition to tour operators, the tourist board is working closely with the national travel and hotel associations and Malaysia Airlines to market and promote Visit Malaysia Year - and to make sure that transportation and

facilities are up to par. Malaysia Airlines has introduced a special promotion offering travelers who fly from a European city to Kuala Lumpur one extra destination in Malaysia at no extra cost. The national carrier has also launched the "Visit Malaysia Pass," a domestic air pass that operates along the lines of European rail passes.

Malaysia is also trying to induce tourism through the creation of more budget-priced accommodation, espe-cially in smaller regional towns that now offer only goverument rest houses and modest guesthouse-style hotels. Mr. Bakri hopes to see a network of two- and three-star hotels throughout the country within a few years. Down the line. I would also like to see the development of bedand-breakfast facilities," he says.

Just in case these projects are not enough, the tourist board has also created three brand-new festivals, which will serve as "anchor events" for Visit Malaysia Year

TOURISM CHIEF AHMAD BAKRI SHABDIN: WE HAVE COME TO REALIZE THAT ASIA IS OUR MAJOR MARKET

The Floral Festival in July will highlight Malaysia's tropical flower production, especially the nation's world-famous orchids, ending with a grand parade through the streets of Kuala Lumpur. The Malaysia Festival in September will showcase indigenous food, culture and handicrafts, while the Shopping Honey-moon in November will focus on domestic and foreign goods available in Malaysia, including luxury items, arts, crafts and sou-

Despite a downturn in the number of visitors from Europe and North America, Mr. Bakri is encouraged by the number of new arrivals from Asian destinations. "We have come to realize one thing: Asia is our major market

now," he says. The number of visitors from Singapore rose 15 percent last year - more than 500,000 new arrivals. The number of visitors from mainland China jumped 265 percent. There was also a substantial increase in arrivals from Taiwan. "The Taiwanese are emerging as the Japanese did about 10 years ago," says Mr. Bakri. "They still travel in tour groups with a tour leader, and they follow a strict itinerary. They spend most of their money on shopping. eating, karaoke and golf, but they also really enjoy them-

selves at the beach. Mr. Bakri continues to believe in the "hands-on" approach to tourism development, and he feels strongly that it is the job of an organization like the MTPB to get actively involved in both promotion and the improvement of tourism infrastructure.

"We helped develop Club Med [at Cherating] just to give tourism a start on the East Coast," he says. "Sure, we suffered some losses at the start, but now we have a whole chain of hotels from Kuala Terengganu ail the way down to Kuantan. It stimulated the industry. People began to think that tourism is viable, that it can be done. To me, that is the role of a tourism-promotion agency: providing an area where the industry can be more effective.

BUSINESS BRIEFS: GIANTS, LANDMARKS AND TROPICAL COVER

 Malaysia's newest port distribution park will open in September. The 63-acre (27-hectare) Port Klang Distribution Park, located in a free commercial zone, is a joint venture of

the Klang Port Authority and Peremba Bhd., a private company. The project will provide an additional 1.35 million square feet (122,000 square meters) of covered warehouse and 15 acres of open storage space for clients of the port. The business community and freight forwarders will now be able to import in bulk any commodity and to carry out transshipment, consolidation, repacking or

relabeling.

One of Malaysia's premier hotels is the Hotel Equatorial. located on Jalan Sultan Ismail, one of Malaysia's major roads, just across the street from the towering Malaysian Airlines Building. Fre-quent travelers to Malaysia have been staying in this landmark hotel for years because of its service, comfortable rooms and proximity to Malaysia's business district, parks and one of the sites of Malaysia's famous food stalls. Just down the street is the Malaysia Tourism Information Center, which is housed in a building con-structed in 1935 as a miner's mansion. This historic building was the headquarters for the British and Japanese army during World War II. Today, the building houses an exhibition hall, souvenir shop, restaurant and travel-services counters. For more information and reservations at the Equatorial, call 603-261-7777.

 There is good oil and bad oil, according to nutritionists, and palm oil appears to belong to the former category. Malay-sia's Palm Oil Registration and Licensing Authority is urging consumers to take another look at palm oil. Products using palm oil taste good and keep well.
Vitamin E and beracarotene, antioxidants beneficial to health, exist in large quantities in palm oil. In addition, palm oil is cost-effective and ready to use; there is a stendy supply of this environment-friendly commodity. For

more information about Malaysia's manufacturers of pain oil and the use of pain oil and the use of paim oil, contact PORLA. Lot 6, SS6, Jalan Perban-daran, 47301 Kelana Jaya. Selangor, Malaysia. Tel.: 603-703-5544; fax: 603-703-3533.

• When the Tourism Development Corpora-tion of Malaysia was set up in 1972, tourism was low on the nation's list of development priorities. Today, TDCM is at the center of one of Malaysia's largest projects, "Visit Malaysia Year 1994." The TDCM was moved from the Ministry of Trade and Industry to the new Min-istry of Culture and Tourism in 1987, just in time to prepare for Visit Malaysia Year 1990. Since then, there has been no looking back. The TDCM has its beadquarters in Kuala Lumpur and offices in the south at Johor Bahru, in the north at Pulau Pinang, and on the east coast at Terengganu, Sarawak and Sabah. There are eight international offices, located in Australia, Japan, Thailand, Singapore, Britain, the United States, Germany and Hong Kong. If you are thinking of visiting Malaysia, write to the TDCM-Headquarters at Putra World Trade Center, Jalan Tun Ismail, 50480, Kuala

Lumpur.
Tenaga Nasional
Berhad is literally Malay sia's powerhouse. It is a publicly listed company licensed for the generation. transmission and distribution of electricity, supplying about 97 percent of the Malaysian peninsula TNB was listed on the Kuala Lumpur Stock Exchange in May 1992 - the biggest offer in Malaysia's corpo-rate history. TNB's total installed capacity at the end of 1992 was 5,652 megawatts, and the company's revenue sales reached 4.09 billion Malaysian, dollars (\$1.6 billion), an increase of 16 percent over the previous

year. Profit before tax

more than doubled, while fixed assets stood at 14.97 billion Malaysian dollars.

 Malaysia's forestmanagement policy is one of the best among tropical countries and even exceeds that of some developed countries, according to the International Tropical Timber Organization. One group dedicated to upholding a responsible forestmanagement policy so that forests can be sustained and timber remain a viable industry for generations to come is the Malaysian Timber Industry Development Council. The MTIDC points out that Malaysia has ensured that at least 50 percent of its land area will remain permanently under forest cover. For more information, contact MTIDC, 9B. 9th floor, Bangunan Arab Malaysia, 55, Jalan Raja Chulan, 50200, Kuala Lumpur. Tel.: 603-232-3999; fax: 603-238-6376. • Fortune magazine has

called this company "a new breed of corporate giant rising to challenge top business in both the Orient and the West." This is Sime Darby, Southeast Asia's largest multinational company. A strategy of diversification has broad-ened Sime Darby's base from commodity trading and plantations to engineering, fabrication, general trading, heavy equipment, insurance, manufac-turing, motor distributorship, packaging, property development and leisure. This year, Businessweek added an Emerging Markets 500" list to their annual "Global 1000" of the world's most successful companies. While most of Malaysia's neighbors were home to companies on the Emerging Markets 500" list, Sime Darby was not Instead, Sime Darby was listed among the "Global 1000," ranked 794, with a market value of \$2.89 bilhion, sales in 1992 of \$2.42 billion and assets worth \$2.57 billion.

TA

required conference facilities can be found at the Shangri-La in Kuala Lumpur. Hotel, Kuala Lumpur. No wonder leading multi-national where else clients such as the International Herald Tribune select the but the Shangri-La. Shangri-La Hotel to host their international symposiums.



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ENERGY KEEPS THE HOME LIGHTS BURNING

v serves remain substantial, the petroleum industry realizes they are finite. Domestic consumption of energy is ris-ing at an alarming rate as Malaysian business and industry revs into high gear and consumers convert their hard-earned wages into new cars, stoves and refrigerators. Meanwhile, oil prices have stagnated in

the wake of a global glot. As a result, Malaysia now finds itself in the middle of an energy revolution that spells major changes in terms of both production and utilization. No longer content to merely produce oil and natural gas, the petroleum industry is moving into a diverse range of downstream products for export and domestic use that will add immeasurably to the value of both natural resources.

The national energy network is being extended and upgraded. With underground and offshore re-

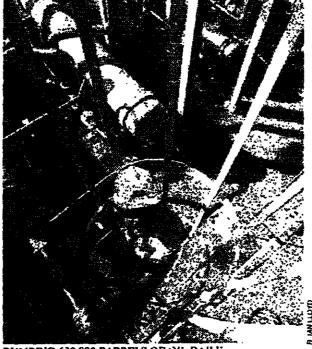
hile Malaysia's serves that are three times oil and gas regreater than known oil reserves, the future would veem to belong to liquefied natural gas. LNG is already in hot demand both at home and abroad because gas is environmentally friendly compared with other energy sources like coal and oil.

Malaysia has the world's largest gas-conversion plant, a joint venture between Royal Dutch Shell, Mitsubishi, the Sarawak state government and Petronas, the national oil company. The facility is currently producing 8 million metric tons a year for sale to utility companies in Japan, Taiwan and South Korea, and there are plans to double capacity by 1995. A second gas-conversion facility is on the drawing boards, a proposed joint venture between U.S.-based Occidental Petroleum, Nippon Oil and Petronas. The second facility would also be located in Sarawak, which

The nation's other massive gas field is Jerneh, situnted off the northeast coast of peninsular Malaysia. Unlike gas from Sarawak, gas from Jerneh has been earmarked for local use through the Peninsular Gas Utilization project.
While LNG may be the

current "darling" of the energy industry, there is also growing demand for oilbased products. Malaysia is currently pumping about 630,000 barrels of oil each day from fields in Sabah, Sarawak and Terengganu. Nearly a third of that goes toward domestic gasoline consumption. Industrial oil demand is also soaring. As a result, major retailers like Shell (with 30 percent of the domestic gasoline market) and Esso (20 percent) have been working with Petronas to increase and diversify refinery production into downstream prod-

Malaysia is also diversifying its energy industry through the manufacture of oil- and gas-production



PUMPING 630,000 BARRELS OF OIL DAILY.

equipment, especially the design and fabrication of offshore platforms. Sime Darby, one of Malaysia's largest companies, has developed a platform production facility at Pasir Gudang Industrial Estate in Johor, the company is making support structures,

jackets and modules for Petronas and Esso operations in the South China Sea, including the Jerneh Gas Field. Sime Darby has also found a budding overseas market for its energy platforms, which it hopes to parlay into a major export business.

that until recently were the

exclusive domain of state-

owned enterprises; these

areas include energy.

telecommunications, trans-

portation and mining.

More than 250 state-

owned companies - with a

total value of 16 billion

Malaysian dollars (\$6 bil-

lion) - are slated for priva-

tization by the year 2000.

The public and private sec-

tors will continue to pump

money into infrastructure

development as well, ex-

panding and improving the

efficiency of seaports, air-

ports, road and rail sys-

tems, power and water

supply, and communica-

tions. The government has

pledged \$10 billion to in-

frastructure development

Joseph R. Yogerst

over the next decade.

BUSINESS SEEKS OVERSEAS MARKETS

Talaysia has a long history of its national boundaries. The GATT World Trade Report (1992) ranks Malaysia as the 23rd-largest exporting nation, with total merchandise exports valued at 103,5 billion Malaysian dollars (\$40 billion). Projections are for annual exports to increase to 1.5 trillion Malaysian dollars by the vear 2020.

Ja Livolissa

Traditionally, much of that trade has been within Southeast Asia, where Malaysia has always been a major player. Malaysia, for instance, is the thirdlargest source of Singapore's imports, after the United States and Western Europe.

In recent years, however. Malaysia has been looking beyond Southeast Asia for export markets especially for manufactured goods rather than raw commodities. Outside of the Association of Southeast Asian Nations, Malaysia's major trading partners are Japan, the United States and Europe. Together with Singapore, these countries accounted for more than 70 percent of the country's total trade (160 billion Malaysian dollars) last year.

One of the most outstanding examples of Malaysia's manufacturing export drive is the Proton Saga automobile, which recently achieved something of a coup in Britain's car market. In late 1992, Proton became the first non-European passenger car to be approved by the British Home Office for use by police forces.

Malaysian business executives have come to realize, however, that growth can be achieved beyond direct exports. As a result, entrepreneurs are now spreading their wings to establish operations in places as diverse as Cambodia, Egypt, China and

One Malaysian businessman is selling Cambo-

dian fresh-water fish to restaurants in Hong Kong. Singapore and Kuala Lumpur. The Asia PR Group, another Malaysian company, is trying to build a mini media empire in Cambodia with an eclectic operation that already includes advertising, printing, public relations and an English-language paper called the Cambodia Times.

Malaysians are also heavily involved in Vietnam. slipping in ahead of the predicted end to the American embargo. Malayan United Industries Bhd., for instance, is spending \$1 million to develop a cement-production business. Future plans call for expansion of the cement venture into Hong Kong and China.

Malaysia has also made a big push into China. where its direct investment is expected to reach 8.2 billion Malaysian dollars by the end of this year. Malaysian capital is concentrated in several key industries, including construction, food processing and hotels.

One of the most unusual Malaysian ventures in China is a computerized social-welfare lottery in Guangdong Province; the lottery is organized and produced by the Berjaya Group, one of Malaysia's largest and most diverse companies. Berjaya is also involved in several other overseas ventures, including hotel projects in Fiji and Mauritius.

Malaysian companies are also helping the Philippine government develop the former U.S. naval base at Subic Bay into a dutyfree zone that will encompass trade, industry and entertainment.

As Malaysia's push toward full industrialization eats up more and more of the land and labor traditionally used for agriculture, the country's three largest plantation groups are setting up business overseas in order to stay competitive in the world

All along the Coast of Malaysia, you'll

market. Sime Darby's Consolidated Plantations division is building a palm-oil refinery on the banks of the Suez Canal to process edible palm oil for the Egyptian and West Asian markets. Consolidated is also searching for edible-oil refineries locations in Namibia, Tanzania

and China. The Guthrie Group one of the great names in Malaysian rubber - is currently making rubber gloves in Russia (with its own Malaysian-grown stock) and is exploring the possibility of taking over tea and rubber plantations in Sri Lanka.

Golden Hope Plantations is developing an edible-oil (palm, peanut and coconut) factory in Vietnam to serve consumers throughout the huge Indochina market.

Petronas, the national oil company, is stepping up its overseas exploration efforts as part of a longrange plan to become a global energy company in the same vein as Exxon or Shell. In late 1992, in a partnership agreement with Australia's Broken Hill Pty., Petronas won the right to develop Vietnam's offshore Dai Hung oil field. The company has also obtained rights for oil and gas exploration in parts of China, Burma and Syria, and it is considering exploration in parts of the former Soviet Union.

To help these entrepreneurs wishing to venture abroad, the Malaysian Trade Development Corporation is in the process of identifying locations for its own offices abroad. In all but the most key markets, these Matrade offices will take over duties presently performed by trade commissioners. The government has annonnced that it will do everything in its power to promote Malaysian goods and services abroad and to support efforts by the private sector to secure overseas contracts.

J.Y.

REAPING THE BENEFITS OF AN ECONOMIC OVERHAUL

has proven gas reserves of

27 trillion cubic feet.

Continued from Page I

education," he says. All one has to do is glance back over recent history to realize just how much Malaysia has accomplished in a short time span. The country gained its independence from Britain in 1957 after a 10year communist insurgency called "The Emergency," which at times approached the ferocity of the Vietnam conflict a decade later. The communist uprising was not completely crushed until the early 1980s, when the last rebel forces came-out of. the jungle.

The early days of inde-

pendence were marked by a bloody border dispute with Indonesia (over the Sarawak-Kalimantan frontier) and a political dispute with Singapore that ended with the island being ejected from the Federation of

Malaysia.

Military and political disputes settled, the country embarked on a period : of economic growth based on an agricultural and mining sector developed during British colonial times. Tin and rubber income buttressed the young nation, allowing modest growth Malaysia, however, nearly made a fatal mistake by staking its future on these two commodities because both in and rubber markets sank in the late

Malaysia could have that stagnated in the wake of commodity crashes, but the national leadership had both the energy and acumen to steer Malaysia on a new course. Almost overnight, the economy switched from an almost total dependence on tinand rubber to a much broader economy that in-

cluded oil and natural gas. Lumpur, Johor Bahru and timber, manufacturing, a lot, especially in terms of tourism and various service industries.

The key year was 1986, when the federal government swept away much of the red tape and antiquated laws that hampered foreign business in Malaysia. Many industries were deregulated, government monopolies shattered, the banking and finance sectors completely overhauled and tax incentives established as the country threw open its doors to foreign investment and expertise. Another key step was the National Development Policy of 1990, the longawaited overhaul of an earlier ethnic-economic plan that had also been a major impediment to foreign in-

vestment. Free trade and private enterprise became the by words of the economic transformation, as Malaysia rushed to catch up with its burgeoning Asian neighbors. And catch up it did much quicker than anyone could have imag-

uped. In less than a decade, factories have supplanted farms as the country's largest money-spinner. The contribution of the manufacturing sector to GDP grew from 19.4 percent in 1980 to 28.1 percent in 1991. At the same time, the share of Malaysia's exports taken up by manufactured goods rose from 21.9 percent to 65 percent. Overall, the induseasily gone the way of trial sector is expanding at other Third-World nations an average of more than 20 percent annually, and more than 3,000 international manufactoring companies

have set up in Malaysia. The jobs and money generated by this tremendous growth are literally changing the face of Malaysia. High-rise skylines have overtaken the old colonial buildings in Kuala

Penang. People are starting to shop in huge, air-conditioned shopping malls rather than street markets. An American-style fourlane expressway is taking shape along the west coast of peninsular Malaysia, the finest long-distance road in all of Southeast Asia. New

golf courses are being built

at a faster rate than any-

where else on the globe. It would be easy for Malaysia to rest on its laurels, satisfied with the growth it has already achieved, but national leaders are already thinking about the next century with an intent to forge Malaysia into a first-world nation over the next three decades. Prime Minister Mahathir Moharnad has devised a blueprint for the future called Vision 2020 - a broad strategy that encompasses economic and social de-

velopment. Mr. Mahathir foresees a Malaysia with a standard of living equal to that of Europe and North America, a country where poverty and illiteracy have been eliminated and where both the education and healthcare systems are among the best in the world. He feels that Malaysians should maintain their basic culture and values, be they Malay, Chinese or Indian.

To achieve these lofty goals, the government knows it must continue to stoke the flames of industrial growth by boosting productivity, raising the skill level of the work force and creating an environment in which both foreign and domestic investors continue to perceive Malaysia as a place where they should out their money. "I think the private sector could do more to improve the technical abilities of the Malaysian work force," says Yong Teck

Ming, executive director

of the Berjaya Group, one of the country's largest and most diverse conglomerates. "Maybe the private sector could set up its own research insututes.

At the same time, the government and private business are striving to reinforce and diversify industrial sectors where Malaysia already has an edge and creating whole new industries.

Another of the country's ongoing crusades is the replacement of raw commodity exports (like timber, oil and rubber) with downstream products that bring a much higher value. For instance, Malaysia has gone from being the world's largest supplier of unprocessed rubber to being the world's largest producer of rubber gloves.

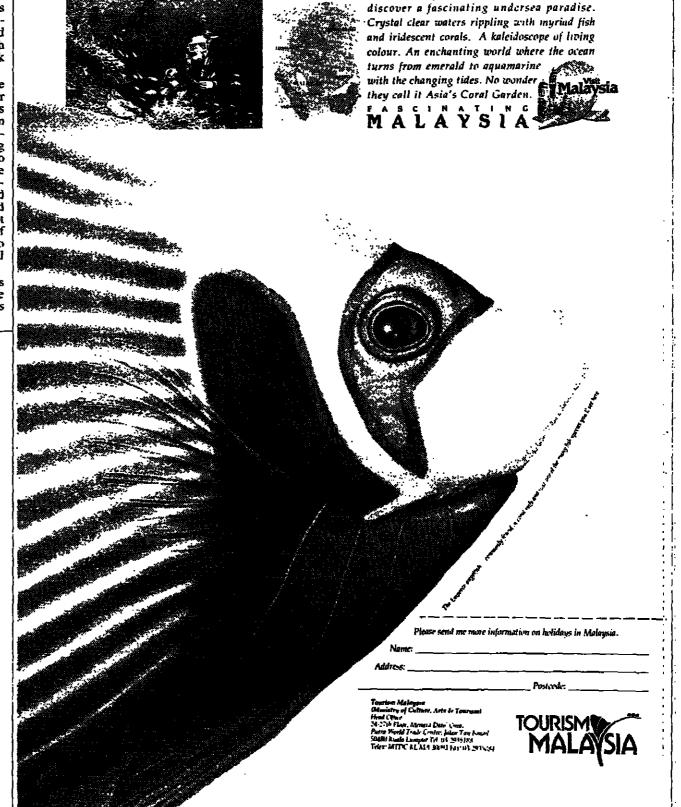
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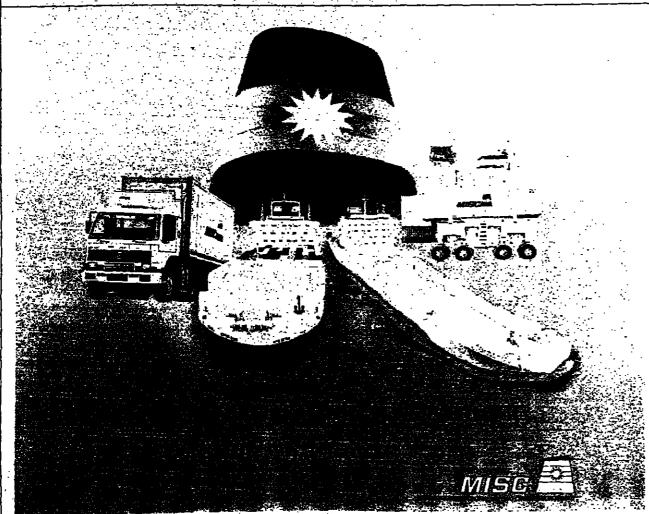
manufacturing sector is moving into "cleaner" high-tech industries that require less labor and are more environmentally friendly, a move similar to what has been taking place in Singapore and Japan. Meanwhile, the country will continue to shed labor-intensive industries in favor of nations like Indonesia, Vietnam and China, which bave much larger, cheaper work

"Malaysian workers are now commanding higher and better rewards," says Mr. Tajudin, "Rather than have them migrate elsewhere, it is better to bring new industries here. Two things must be done: We must develop more hightech industrial parks and introduce more advanced technology. This will not only ease the problem of labor shortage, but also give us a better financial return.

More privatization is also in the cards, as private companies move into areas

Soak yourself in ecstasy in Asia's most beautiful coral garden.







SCALING THE HEIGHTS: MALAYSIA IS A FEAST FOR NATURE-LOVERS.

SAVING THE WILDERNESS: AN ECOTOURISM LABORATORY

Continued from Page I

the industry pulled in an estimated \$1.96 billion in 1992.

In many instances, limits must be placed on the number of visitors who frequent a site or location. In Malaysia, for example, the number of tourists permitted to visit sites where giant turtles lay their eggs is strictly controlled.

While numbers must be reduced, Mr. Western says that "we must discard the platitude that high-volume tourism is bad and low volume is good." Instead, the industry should change the way tourists venture out through calling on tour-group operators to educate clients about how to avoid abusing the land and culture they visit.

Tamun Negara, for instance, has not changed much in 160 million years. The colonial administration established a game reserve for hunt-ing, shooting and fishing in 1925. Located in peninsular Malaysia. Taman Negara is now a national park with no roads and no settlers other than the tribal Batek people. In 1991, the government allowed Pernas OUE, a private company, to develop a 20-hectare clearing. Management of the project was subcontracted to Singapore Mandarin International Hotels and Resorts. The resort takes its social obligations seriously. Guests are encouraged to inspect the waste-disposal plant. Biodegradable waste is fed into a compost machine, which turns out garden fertilizer. The resort recently held a competition to

see which visitor could collect the most rubbish along jungle trails.

Malaysia's tour operators are on the bandwagon. Nature tours are widely available: these range from a day-long jungle walk in Genting Highlands or whitewater rafting down the rivers of Sabah and Sarawak to the more strenuous Taman Negara sojourn or the ascent of Mt. Kinabalu.

"The demand for nature tours is growing." says Anthony Wong, managing director of Asian Overland Services Tours and Travel, which started business 17 years ago as a two-man company exclusively selling nature and adventure tours in peninsular Malaysia, Sabah and Sarawak. Other companies that offer these kinds of tours include Reliance SMAS Tours; Borneo Adventure, based in Kuching, Sarawak; and Api Tours, based in Kota Kinabalu, Sabah.

Even established, city-based, upmarket hotels are getting involved in
conservation. "Kuala Lumpur is a
green city." says Willie Ooi, who
handles sales and marketing for the
Shangri-La Kuala Lumpur. He says
the hotel, in keeping with the trend,
has embarked on a "green movement." which involves recycling, replacing plastic with reusable items
and moving more plants into the
lobby. Plastic laundry bags, for example, have been replaced by canvas
bags, and laundry is returned in
reusable rattan holders instead of
plastic wran.

plastic wrap.
The Shangri-La Kuala Lumpur

now uses special light bulbs that consume 75 percent less energy. Water used in flushing toilets has been reduced by 35 percent, and this Christmas, the Shangri-La Kuala Lumpur will give away potted plants instead of hampers and cakes.

Malaysia hopes to attract some 6.6 million visitors in 1993, representing about a 10-percent increase over 1997.

Malaysia now has some 60,000 hotel rooms, and more budget and mid-priced hotel projects are in the works. The government is considering bids by seven contractors to build 10 budget hotels throughout the country. Under the Sixth Malaysia Plan. \$39 million has been allocated to build 20 budget hotels in two phases, with the first 10 to be completed in early 1994. Kuala Lumpur is due to have a new \$7.8 billion airport at Sepang with a capacity of 100 million passengers a year.

There are no available statistics to indicate how much of Malaysia's tourism revenue is generated through ecotourism, but industry insiders suggest the amount is growing faster than that generated by any other type of tourism. Although ecotourism is not expected to replace mass tourism, it is a trend to watch. "Tourism used to be sun, sand and sex, but now this kind of tourism is passé," says Robertson Collins, president of Tourism Development and Heritage Conservation.

Teresa Albor

TRANSPORT SECTOR: BLUEPRINT FOR DEVELOPMENT

Both the Malaysian government and people realize there is no standing still if the country is to achieve first-world status by the year 2020. As a result, Malaysia is busy on land, at sea and in the air,

One of the tenets of the Sixth Malaysia Plan (1991-1995) is that infrastructure development must be stepped up considerably to meet the demands of rapid industrialization and to ensure that the country continues to attract befry foreign investment. Transport is seen as the key area

of infrastructure improvement.

Twenty-six percent of the SMP's 9.4-billion-Malaysian-dollar (\$3.7 billion) development budget has been allocated to the transport sector. The funds are earmarked not only for the upgrading of existing transport modes, but also for the creation of completely new networks and facilities.

Malaysia has been a nation of avid drivers since the first car arrived in 1896. Until recently, however, rural highway construction often lagged behind urban road development. A number of new or improved long-distance routes are currently in development, including an upgraded East-West Highway between Kota Bharu and Butterworth, and the new North-South Expressway – a fourlane toll road that will eventually stretch along the entire west coast, from Johor Bahru to the Thai border. In addition to making life easier for ordinary motorists, the route will also allow easy access to the ports

for surface freight.

Although Malaysia is nearly surrounded by water, the country has a dearth of deep-water ports. Work is currently under way to expand docking facilities at a number of locations, including Butterworth/Penang, Port Klang, Kuantan, Bintulu and Johor.

Johor is hoping to rival Singapore one day as an international gateway. The 312-million-Malaysian-dollar third phase of the Pasir Gudang port expansion will double Johor's port capacity by next year; construction of the 259-million-Malaysian-dollar fourth phase is expected to be completed by 1995. Even with this extra capacity, however, Johor's current port will be stretched to meet demand by the end of this decade, so a second port is being developed at Taniung Pelepas, with completion sla

Tanjung Pelepas, with completion slated for the year 2000.

Johor's economy would get a further boost from a pro-

Johor's economy would get a further boost from a proposed 1.6-billion-Malaysian-dollar second link with Singapore, a giant bridge that would leap the strait between Singapore's industrial Tuas district and Gelang Patah near Johor's second port. This would allow Johor to provide warehousing and bonding facilities for Singapore's thriving shipping and air-cargo industries.

Malaysia Airlines plans to increase its fleet by nearly half, to more than 100 aircraft, by 1997 in order to keep pace with rapidly increasing domestic and overseas demand.

Meanwhile, Malaysia Airlines has tied up with two other top Asian carriers – Singapore Airlines and Cathay Pacific – to offer a frequent-flier program to first- and business-class passengers. Additionally, the airline has announced several measures to upgrade its services and facilities. First- and business-class passengers will soon be entertained by Skyvision, in-flight videos and music selected from compact discs. In-flight phone calls will

also be possible. Food and serving equipment are being improved, and the airline plans to expand its telephone check in facility.

Construction of the new international airport in Sapang, about 30 kilometers (19 miles) south of Kuala Lumpur, is expected to start late this year, with scheduled completion in 1997. Located on a huge 10,000-hectare (24,700-acre) site, the airport will be one of the largest in the region; it will have four separate runways. The estimated cost is from 8 billion to 10 billion Malaysian dollars, but the government figures that is what it will take to compete with Singapore's highly successful Changi Airport.

Once an air traffic-services modernization program is completed in 1995, Malaysia's air-traffic-control system will also be one of the most advanced in the region. The program, which began two years ago, will allow for complete automation of the country's 20 airports, with the

new Sapang airport as the hub.

To alleviate traffic snarls on the roads to and from the new airport, the government is developing a dedicated electric train route between Sapang and Kuala Lumpur. Meanwhile, a new light rail system is under construction. When completed in 1995, the 12-kilometer system is expected to alleviate the growing traffic congestion in the federal capital.

With more punctual service, better food and video entertainment, Malayan Railways is fighting back against



MALAYSIA AIRLINES: TRANSPORT SECTOR IS TAKING OFF.

stiff competition from overland buses, domestic airlines and car-hire companies. The national railway company is also aiming for well-heeled travelers.

The luxury Reserve Saloon, available in the past only to corporate clients and VIPs. is now being offered to the general public. From September, those who want an even more elegant and romantic journey — with a touch of 1930s nostalgia — will be able to board the new Eastern and Oriental Express, a cousin of the Orient Express train in Europe.

Transport Minister Ling Liong Sik says that his government realizes that development of the transport sector alone will-not necessarily result in an efficient and economically sound transport system. Therefore, the government is placing equal emphasis on strategies such as deregulation, rationalization of trade procedures and documentation, as well as privatization. If the government gets its way, Malaysia's transport networks may be largely operated and managed by the private sector by the year 2000, with the government involved only in broad policy matters, licensing and regulatory functions.

J.Y.

Malaysian Palm Oil

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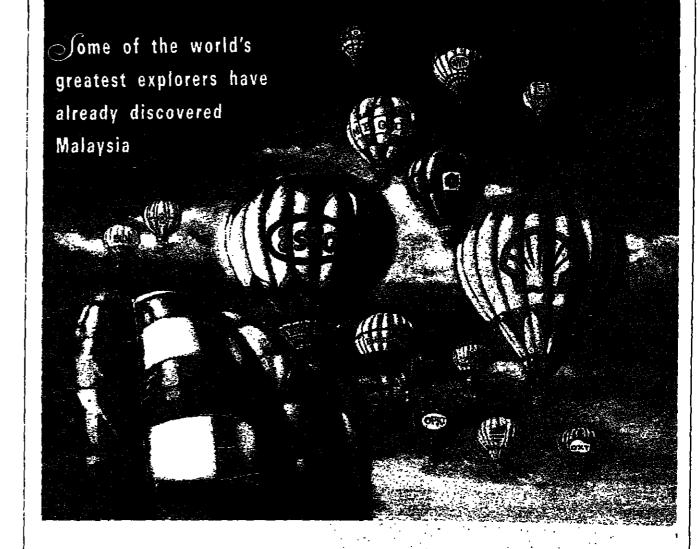
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In the early days when Malaysia was known as the Golden Chersonese, sea-faring explorers and traders came to her shores in search of silk and spices.

Today, the search continues. Some of the world's largest and most successful international oil companies are busy exploring for hydrocarbon in Malaysia.

PETRONAS, as Malaysia's national oil corporation, has to date signed more than 30 production-sharing contracts with a good

mix of international oil companies. Those who have been here for some time have found Malaysia a good place to do business.

Our plus points, we've been told, are our professionalism and our very positive attitude towards foreign investment as well as our country's political stability and good infrastructure.







were the second of the second of the second WHERE OLD MEETS NEW (AND REFUSES TO DISAPPEAR)

eorgetown is the gem in the crown of Penang, a popular fourist destination for decades that combines sun, sea and sand with culture, food and heritage. Penang is located on the northwestern coast of peninsular Malaysia and consists of an island and a strip of land off the mainland. The island was a British trading post as early as 1786. While Penang is an interesting but long drive from Kuala Lumpur, a short and economical domestic flight is the transport of choice for most tourists. Malaysia Airlines has as

many as 24 flights a day.

On the hilly island, beach resorts are not far from cool hill stations and, at the center of it all, is one of the most unique cities in the world. The city of Georgetown on the island of Penang is living culture at its best - eclectic, colorful and lively.

A walking tour is the best way to see and be a part of this intimate capital city. Fort Cornwallis, which guards the northeast coast of Georgetown, is a solid structure decked with cannons. In the 1800s, the British East India Company decided Penang Island was the ideal place to stop off on voyages between Calcutta and Madras. Convicts rebuilt the original wooden fort with stone from 1808 to 1810. From the fort, you can see fishermen casting their lines along the Esplanade, which is dotted with the colorful sun umbrellas of food stalls. This part of the city is full of quaint shopping streets where embroidery work, silks, bank cloth and antiques are for sale.

Visit another part of the city, and you will be transported to India. Saris are displayed in shop windows, and street vendors hawk Indian food.

In yet another neighborhood, the Knan Yin Temple is

home to Penang's Goddess of Mercy, who is loved by a wide spectrum of Southeast Asians: the young, the old, the traditional and the strikingly modern. Outside, Chinese opera is sung endlessly on a gaudy stage amplified by an old-fashioned, rickety microphone, and giant joss sticks

old-fashioned, rickety microphone, and giant joss sticks fill the air with pungent incense.

Only two blocks south of the temple sits the Kapitan Kling Mosque. If you stand in the Kuan Yin Temple and listen carefully, you can make out the chanting of the eetie and beautiful Islamic call to prayer above the din of those praying in the temple and the high pitch of the Chinese opera singers.

If you have not filled up on Chinese or Indian food stalls, there is always the dining room of the Eastern and Oriental Hotel, known as the "E & O." This graceful, colonial-style hotel is located on the waterfront. Steak and kidney pie or curry are on the menu.

For those who venture out of Georgetown, there are more than a dozen coastal hotels and resorts. Penang hill, pleasant cool retreat from the hustle and heat of the city, is just outside the city. Penang also has an 18-hole golf course.

On the western side of the island, there are dozens of small kampung villages, or sleepy fishing hamlets where life seems to have not been affected by the development of Malaysia. At the northern end of this coast is a wilderness area spliced by trails through the rain forest and a butterfly park where visitors enter a vast "aviary" where butterflies pause on their arms.

Several events are planned for Penang during 1994, which has been designated "Visit Malaysia Year." One such event is the Festival of Traditional Dances and Music, to be held from April 25 to 30. Another is the annual Penang Bridge Run in May, when thousands of numers compete in a race across the world's third-longest bridge, the Penang bridge, which links the mainland of peninsular Malaysia with Penang island.

For more information, contact the Penang Tourist Association, P.O. Box 444, 10760 Penang.

MANAGED OR FREE TRADE? A LOOK AT THE OPTIONS

محدامن! نلر مهل

afidah Aziz was a university lecturer in eco-nomics at the University of Malaya before joining the government in 1977. She served as deputy minister of finance and minister of public enterprise before becoming the country's minister of international trade and finance, and she has led many foreign trade missions. Considered to be one of the busiest and fastest-speaking ministers in Malaysia, Rafidah Aziz warns visitors to be on time and bring a tape recorder. The following are excerpts from a recent interview with her.

Managed rather than free trade seems to be gaining momentum. What are the strategies Malaysia and other countries in the region might adopt to deal with managed trade?

We want to tell developed countries that are going the way of managed trade not to do so. They should subscribe to multilateral and international trade rather than managed trade. Malaysia would like to see other countries that oppose this approach get together and have a strong voice.

Malaysia has been a leader in pushing for the formation of an East Asian Economic Caucus (EAEC). What would be the mandate of such a group, and why would it be important to Malaysia and the region?

The EAEC will call the countries of East Asia to meet together from time to

time at various levels to discuss issues of common concern [such as] trade, cross flows of investment, technology transfer and anything of interest to the region in their effort to increase their trade performance and enhance their own economic development. At the moment. the critical issue is trade: how to enhance East Asian trade, how to make sure countries outside East Asia do not subscribe to man-

aged trade or use protectionist barriers. By the end of the year, we hope the EAEC will be formalized, the first step toward convening meetings.

In the past, there has been some resistance to the idea of forming the EAEC, especially from the United States. Has the change in administration brought about any change in attitude that you are aware of?

The previous U.S. administration thought that if they were not involved in a grouping or other entity in this part of the world, they would be excluded from any discussion and would be left out. That is why they were against the formation of the EAEC. This is an East Asia caucus geographically they cannot be in it, but the United States is a major partner of all [East Asian countries]. Certainly, when we discuss trade, investment and development, the United States would indeed be part and parcel of the discussion. East Asian countries are not going to work by themselves in a vacuum. At the moment, the new [U.S.] administration says it is not fair for them to make any value judgement now because they do not know exactly which way the EAEC is going, and so they have followed the path of letting the ASEAN countries decide.

Malaysia, as a member of the Association of Southeast Asian Nations (ASEAN), is participating in the Asian Free

Trade Area scheme. What benefits does Malaysia hope to gain from participating in AFTA? How would AFTA and the EAEC complement each other?

In many ways, they will overlap, just as NAFTA over-laps with GATT. This sort of overlap is not bad. It overlaps in a way that enhances the situation. [The groups aim to) increase free trade and regional trade.

Has the failure to resolve the current Uruguay Round had a negative effect on Malaysia?

Malaysia does not suffer alone. Everyone has suffered directly or indirectly from the unilateral trade actions taken by the major countries and also because of bilateral deals some countries have made. For example, when there are deals cut unilaterally between the United States and the European Community in the areas of commodity support, we are affected.

The completion of the European Community's single market as of Jan. 1, 1993 and the signing of the North American Free Trade Agreement on Dec. 17, 1992 (which has not yet been ratified) are events that both challenge and represent opportunities for countries in Asia. Can you discuss the challenges and opportunities these events represent for Malaysia?

There will be competition, but the challenge is for us to enter new markets. We are well placed to do so because

TRADE AND

FINANCE MINISTER

RAFIDAH AZIZ:

'THE CHALLENGE

IS FOR US

TO ENTER

NEW MARKETS

we have experience in [producing] a whole range of electronic products and resource-based products. The challenges are that, within the EC and in the case of NAFTA, Mexico and other developing countries will compete with Malaysia in terms of attracting foreign investment, especially for lower-end technology and industries that require a lot of labor. Malaysia is no longer a viable host for these kinds of industries any-

way. Market access [is another factor] since investors would like to locate themselves nearer to the market. We ourselves are thinking of placing our operations in these countries. The challenge is for us to be competitive in those countries ourselves. And, operating from this part of the world, we have to be competitive in marketing our products, meeting the high standards the EC will probably be placing on imports and making sure we have a slice of the extra cake that will

result because of the increasing demand within the EC. Both regionalism (the formation of trade groups) and multilateralism (a global trade regime) have been embraced by many economists as they advance the argument that both can work toward achieving the goal of free

trade. Do you agree or disagree with this argument?

These trade groupings will only be positive if the objectives are to contribute to multilateral trade — within the grouping, within the region and globally. But if an entity, from the very beginning, has protectionist elements and sidelines the interests of third countries by various regulations and rules, the trade bloc will inhibit multilateral trade. If it is clear that the objective of a trade grouping is to enhance trade among member countries and at the same time is nondiscriminatory, we do not need to fear them.

Interview by T.A.



Malaysia

"不好,我们就会不管不会的感觉疾病

POWERHOUSE OF THE 90s

A MAJOR NEW CONFERENCE ON TRADE AND INVESTMENT OPPORTUNITIES IN MALAYSIA KUALA LUMPUR · NOVEMBER 14-16 · 1993

CONVENED BY

THE INTERNATIONAL HERALD TRIBUNE IN ASSOCIATION WITH THE MALAYSIAN INDUSTRIAL DEVELOPMENT AUTHORITY AND THE INSTITUTE OF STRATEGIC AND INTERNATIONAL STUDIES

The issues — The conference will provide an up-to-the-minute overview of Malaysia's economy with a panicular focus on opportunities

- for foreign investment. Sectors to be covered will include: Infrastructure and Construction
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THE SPEAKERS

- Among the distinguished line-up of more than 20 government and business leaders from Malaysia and the
- rest of the world who will be addressing the conference are: ■ Dato Seri Dr. Mahathir Mohamad PRIME MINISTER
- Dato Seri Anwar Ibrahim MINISTER OF FINANCE
- Dato Seri Rafidah Aziz MINISTER OF INTERNATIONAL TRADE AND INDUSTRY
- Dato Seri Samy Vellu MINISTER OF ENERGY, TELECOMM-UNICATIONS AND POSTS
- Dato Seri Lim Keng Yalk minister of primary industries
- Dato Seri Dr. Ling Liong Sik minister of transport Malcolm Williamson GROUP CHAIR, STANDARD CHARTERED
- a Tan Sri Azizan Zainul Abidin President, Petronas
- Tan Sri Rashdan Baba executive Chairman, Telekoms MALAYSIA.
- Tan Sti Ani Atope Chairman, Tenaga Nasional Dr. Noordin Sopiee DIRECTOR GENERAL, ISIS
- Atuk Ilhan Chairman, Philips Malaysia

- REGISTRATION INFORMATION -The fee for the conference is USS 995.00. Fees are payable in advance and will be refunded less a cancellation charge for any cancellation received in writing on or before

November 1, after which time we regret there can be no

refund. Substitutions, however, may be made at any time.

REGISTRATION FORM To register for the conference, please complete the form and send it to: Brenda Hagerry, International Herald Iribune, 63 Long Acre. London WC2E 91H, England. Tel: (44 71) 836 4802. Fax: (44 71) 836 0717 ☐ Eliclosed is a check for US\$ 995.00 made ☐ Please Invoice

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Malaysia is an outstanding example of the rapid development that is now taking place in South-East Asia. Although young, this dynamic nation is already one of the fastest growing economies in

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VISITING MALAYSIA? CHECKLIST FOR 1994 FEATURES SPORTS AND CULTURAL CELEBRATIONS

uring "Visit Malaysia Year." lestivities range from birdsong competitions to joyous celebrations of the anniversary of Malaysian independence. Listed below is a selection of 1994 events in Malaysia. For a complete listing, the "Travelers' Guide to Malaysia's Fascinating Treasures" is available from the Malaysian Tourism Promotion Board, Putra World Trade Centre, 45, Jalan Tun Ismail, 50480 Kuala Lumpur.

JANUARY Jan. 1: Sarawak Regatta in Kuching, Sarawak. Relive the era of the "White Rajahs of Sarawak" and join thousands of spectators in colorful ethnic costumes as they cheer on their favorite longboats in this spectacular

New Year's Day regatta.

Jan. 2-4: Perlis Bird Singing Competition. Perlis.

Listen to melodious bird songs as prized singing birds from Malaysia and neighboring countries vie for top honors in this annual competition.

January-March: Malaysian Costumes Exhibition at the National Museum, Kuala Lumpur.
Come view the diversity of Malaysian costumes. On display are costumes for persons of rank and for religious and social celebrations. Be fascinated by the many dif-

ferent shapes and styles of dress and rich fabric designs. **FEBRUARY** Feb. 1-6: Asian Ramayana Festival, Kuala Lumpur. Experience the epic tale of the Ramayana as retold in the form of the "Cultural Dance Drama," "Contemporary Dance Drama" and "Wayang Kulit." Originating in India and popular in Sri Lanka, Indonesia, Malaysia and Thailand, the Ramayana has since evolved into variations that

incorporate elements of the indigenous cultures.

Feb. 24: Chap Gob Mei. This celebration, which falls on the 15th day of the Chi-

tivities. It is celebrated on a grand scale by the Chinese community with prayers and offerings.

MARCH March 13: Hari Raya Puasa.

A joyous occasion as Muslims celebrate the end of a month of fasting. The day is ushered in with prayers and an "open house" for family and friends. Many tourists will be invited to sample the warm Malaysian hospitality during this occasion.

April 15-24: Malacca Historical City Celebration and Toward 600th Anniversary Celebration, Malacca. Relive the glory of the Malacca Empire in this commemoration of Malacca's history. Festivities include shows by local and foreign cultural troupes.

MAY May 29: KL International Marathon, Kuala Lumpur. Join thousands of runners as they pound the tree-lined streets of the nation's capital in their quest for the championship.

JUNE
Through December: Malay Golden Letters Exhibition, held throughout Malaysia.

This exhibition will highlight the Malay Golden Let-ters from British collections. The letters embody the highest standards of the Malay civilization, with its beautiful illumination and calligraphy, eloquent language and complex formal structure that mirrors the hierarchies of traditional Malay society.

July 3-10: Flora Festival, Kuala Lumpur. Experience the sights and scents of Malaysia's floral splendor during this week-long festival. Don't miss the

nese New Year, signals the close of the New Year fes- Flora Parade, the highlight of the festival, as beautifully decorated floats wind their way through the streets of Kuala Lumpur.

Aug. 27-31: National Day Celebrations, throughout

Watch the nation celebrate 37 years of independence. Towns and cities throughout Malaysia will be gaily decorated and adorned with bright lights for the grand occasion. Parades, exhibitions, stage shows and other cultural activities will be held.

Sept. 10-24: Malaysia Fest, Kuala Lumpur. Savor the best of Malaysia, all in one place - Kuala Lumpur. For 15 days and nights, this "Garden City of Lights" will come alive with a myriad of handicraft, food,

cultural and sporting extravaganzas.
International Puppet Festival, Kuala Lumpur.
A display of the world's puppets, ranging from string puppets, rod puppets and hand puppets to "bunraku" and shadow puppets.

Oct. 1-15: World Snooker Championship, 1994, Putra World Trade Centre, Kuala Lumpur. Fast-paced action as contestants from 52 countries cross cue sticks for the championship.

NOVEMBER Nov. 25-28: Malacca Beach Festival, Klebang. Traditional and modern water sports are the highlights of this festival by the sea.

DECEMBER
Dec. 3-4: ASEAN Literature Meet, Morib, Sclangor. This seaside resort is the venue for the international exchange of creative literary ideas.



A LAND OF TRADITIONAL DANCE AND MUSIC.



TRAVELING FOR SUN, SEA AND CELEBRATIONS.

KL Conference to Explore **BUSINESS OPPORTUNITIES**

'alaysia: Powerhouse of the 1990s" – a major international conference on trade and investment opportunities in Malaysia - will be held in Kuala Lumpur on Nov. 15 and 16, 1993. Prime Minister Mahathir bin Mohamad heads the list of key

leaders from the government and private sector who will be participating in this important event.

Among the topics on the conference's agenda are the future of Malaysia's economy and its role within the Association of Schulberg Association of Sc sociation of Southeast Asian Nations (ASEAN) as well as the flourishing Kuala Lumpur Stock Exchange and the growth of the Malaysian securities industry.

There will also be a sector-by-sector analysis of trade and investment opportunities and practical advice on how to meet local business executives and potential invest-

Participants will also get the opportunity to develop relationships with top government officials and captains of industry and to glean crucial information on where highyield opportunities for investment and cooperation can be found in Malaysia.

Delegates interested in learning more details about op-portunities in specific areas of business can attend post-

Government and industry leaders will participate

conference seminars arranged by the Malaysian Industrial Development Authority (MIDA).

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Senior government ministers addressing the conference include Anwar Ibrahim, minister of finance; Rafidah Aziz, minister of international trade and industry; Samy Vellu, minister of energy, posts and telecommunications; and Lim Keng Yaik, minister of primary industries. There will be discussion sessions with the ministers after their

Key leaders of the Malaysian business community who will attend the conference include Atok Ilhan, chairman of Philips Malaysia: Ani Arope, chairman of Tenaga Nasional, the state power company; and Rashdan Baba from Telekom Malaysia.

Among other participants are Mohamad Munir Abdul Majid, chairman of the Securities Commission: Azizan Zainul Abidin, president of Petronas, the state petroleum company; the U.S. economic counselor. Paul Walters: and Malcolm Williamson, group chief executive of Standard Chartered Bank.

"Malaysia: Powerhouse of the 90s." which will take place at the Shangri-La Hotel in Kuala Lumpur, is convened by the International Herald Tribune in association with MIDA and the Institute of Strategic and International

Studies (ISIS), For registration or further information, contact Brenda Hagerty, International Herald Tribune, 63 Long Acre. London WC2E 9JH. England; tel: (44 71) 836 4802, fax: (44 71) 836 0717: or Justin Smith, International Herald Tribune, 7th floor, Malaysia Building, 50 Gloucester Road, Hong Kong; tel: (852) 861 0616, fax: (852) 861 managing for perpetuity









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strong commitment by the Malaysian Government, redead and State, to manage the forest for present as well as tuture generations;

progressive improvement of losest services and strengthening R & D. Through the Forest Research Institute of Malaysia (FRM) which is admissledged as the world's leading research organisation on tropical losest.

successful diversification of the Malaysian ecodomy, with less necessity to convert orest land to agriculture in the luiting

progress in poverty eradication, including the provision of social and economic opportunities for forest dwellers, which effectively reduces stifting collivation practices on

promotion of eco-tourism where tourists corrently Melaysia's extensive natural forest, national parks, wildlife sanctuaries and nature reserves.

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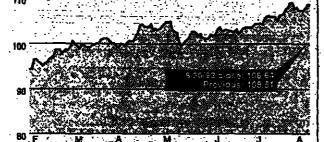
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International Herald Tribune World Stock Index 6, composed compiled by Bloomberg Business News, Jan. 1; 1992 = 100.



The index tracks U.S. dollar values of stocks in: Tokyo, New York, London, and Australia, Australa, Belgium, Canada; Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zesland, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining

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INTERNATIONAL STOCKS

Unraveling Japan's Webs

By James Stempold New York Times Service

Some said it was the tax structure, or the accounting system. Others

Shoichi Royama has looked at this question on behalf of the Finance Ministry, and he has another coachision. The stock market

Of Cross-Shareholdings

argued it was a sort of unique cultural chromosome.

Chaired an advisory commission A new set of

and be permitted to buy back their own shares.

stock exchanges supposedly reflect, the report said.

percent in the late 1940s and early 1950s.

Mochini developed particularly during the 1960s. Companies spent huge sums building up cross-shareholdings with their banks, their suppliers, their major customers and other members of their

closely knit groups, or keinetsu.

As a result, individuals have been slowly aqueezed out of the market by corporate interests. Individuals hold just 20 percent of the value of all shares in Tokyo now, compared with more than 70

According to Mr. Royama, mochiai protected companies from takeovers, permitted companies to pay manuscule dividends and distorted the setting of prices, effectively pushing them too high. Even large pension and trest funds, which are supposed to seek

See WEBS; Page 12

leading financial economists. He

that studied problems in the

Japanese market and released

this summer a report that pro-duced some sobering conclu-

sions — and some proposals

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U.S. Carriers Fear New Barriers Talks With Bonn on Aviation Pact May Set Precedent to study the airline industry has recommended that the United

By Adam Bryant
New York Times Service German and U.S. officials are

necting this week in Bonn to begin talks that they hope will saivage their threatened aviation agreement. This is the first of many tests in coming months for Washington as it contends with a growing list of countries that be-lieve U.S. airlines carry more than their fair share of international traffic.

It is widely believed that the outcome of the German talks will set a precedent for those with other countries - including Japan, France and Australia — that have signaled a desire to slow the rapid expansion overseas by U.S. urlines like American, Delta, United and Northwest.

"The manner in which these talks are resolved will have some impact on some other bilateral discussions we are having," said Federico F. Peña, the U.S. transportation secretary.

If negotiators for the United States do not find common ground with those countries. American travelers may face less frequent flights and higher fares

Airline officials and aviation analysts are also watching Bonn for a clearer sense of the U.S. administration's strategy for dealing with these recent objections to long-standing bilateral The national commission apnavian Airlines System and Austrian Airlines to explore a Any movement toward multi-

States also pursue multilateral Groupings by trading blocs are a popular notion, and that idea appears ripe for the airline business, particularly in light of a proposal by KLM, Swissair, Scandi-

lateral agreements, however, would require that the partici-pants not feel threatened, as many do now, by the United States. Thus, industry experts suggest that the United States balance firmness in maintaining short-term access to countries for U.S. carriers, while resolving cur-

"It's a bit of a tightrope walk," said John F. Ash, a managing director of Global Aviation Associates, a Washington consulting

The talks pending between the United States and other countries underscore why bilateral agreements are becoming obsolete. Roughly 1,200 international agreements dating from 1944 diclate where and how often airlines

can fly to foreign countries.

But the rise of international marketing alliances, like the one between Northwest Airlines and KLM Royal Dutch Airlines, and the potential for multinational

mergers, has complicated things.

Pretty soon we won't know who we're negotiating for." said

Patrick V. Murphy, acting U.S. assistant secretary of transporta-

Bilateral agreements have also come under fire in many countries because the global aviation recession has prompted all but a few carriers to look for ways to stem their heavy losses. One way to do that is to fight for a larger share of the many passengers flying to and from the United States.

By the end of 1993, the world's major airlines — many of them state-owned or supported - are expected to have suffered losses of \$13.5 billion over a four-year period, according to the International Air Transport Association.

Despite their losses in recent years, the largest U.S. airlines

See AIR, Page 13

U.S. Airlines Stretch Their Intercontinental Wings Number of Rights a week between the United States and major markets in Europe and East Asia. 300

For Chinese Capitalism, a Long March

By Paul Blustein Washington Post Service

CHANGCHUN, China - For all the stories about China embracing capitalism, for all the tales about Communist bigwigs starting businesses and former Red Guards trading stocks, the No. 1 Automotive Manufacturing Plant shows that old-style Leninism still pervades large segments of China's economy.

The factory, built 40 years ago in this northeastern city with techni- their families: tens of thousands of

semble more than \$1 billion worth of Liberation trucks, Red Flag limousines and other vehicles a year.

Protected from efficient foreign competitors by steep tariffs, the plant is heavily subsidized and entirely government-owned, except for a separate joint venture with Volkswagen AG that produces sedans. Its sprawling grounds encompass a cradle-to-grave social-welfare system for the workers and

schools, dozens of stores, a library increasingly, economists—and aparently Chinese leaders, too—are the Automotive Workers' Cultural Palace, where movies and plays are

China's economy is "half-re-formed," as the World Bank observed in a recent report, and the No. 1 Automotive Manufacturing Plant is an example of the unreformed half. Being semi-reformed might seem to pose little problem for China; the nation has posted cal help from the Soviet Union, apartments and dormitories, a hosemploys 100,000 people who aspital, 22 elementary and secondary over much of the past decade. But

See CHANGCHUN, Page 13

questioning whether China can continue to thrive in its current hybrid form, neither full-fledged socialist nor capitalist.

The man responsible for launching the reform policy in 1978, the senior leader Deng Xiaoping, has brought China a long way toward a free-market economy. Prices of nearly all products, with a few exceptions such as petroleum, have

BONN — A dispute brewing within Germany's ruling coalition on whether to renegotiate some key points of the U.S.-EC farm accord many could be retreating from its came close to boiling point Mon-day as Foreign Minister Klaus Kin-

Over Stance

Germans Split

kel publicly contradicted Chancel-lor Helmut Kohl's spokesman. Mr. Kinkel, leader of Germany's Liberal Party, said at a news conference that the government did not want "the Blair House agreement to be changed in any way."

Compiled by Our Staff From Dispatches

But at the same time, Dieter Vogel, the government spokesman, said at a separate news conference that Germany did not consider the so-called Blair House agreement on farm trade to be definitive.

Germany has come under pressure from France, the other half of the European Community's core partnership, to push for an easing of the agreement with the United States under which the Community promised to cut subsidies to

Mr. Vogel said Monday that Germany did not want the Blair House accord to go beyond the provisions of the ECs reform of its Common Agricultural Policy. That has also been the French position.

The government spokesman said that "The EC Commission has assured us that this compromise was compatible with the CAP reform. France has doubts about this. We are going to study the French objections, and if necessary, we will ask the commission at the Sept. 20 meeting of farm ministers to come back to the disputed points in the preliminary agreement and talk about them again with the United

He also confirmed that a French-German working group would be set up this week to discuss the compatibility of the Blair House accord with reform of the Common Agri-

cultural Policy.
The hard-won U.S.-EC agreement was seen as a milestone on the way to reviving the stalled Uruguay Round of global trade talks under the General Agreement on Tariffs

and Trade. Comments by Chancellor Kohl

On Farm Talks last week that Germany, like France, had "problems" with Blair House led to accusations that Ger-

> commitment to free trade. But Mr. Vogel tried to deflect such worries, saying at the news conference that Germany was as determined as ever to see successful completion of the Uruguay Round world trade talks were launched

> nearly seven years ago.
>
> The dispute raised the prospect of a split in the ruling coalition. Mr. Kinkel, foreign minister and head of the free-market Liberal Democrats, junior partners in the government, said Blair House should not be tampered with or "unwound in any way."

> The party has bitterly criticized French intransigence over the GATT negotiations in the past.

> But Mr. Kinkel added that Germany was in a difficult situation and had to make every effort to reach a satisfactory solution with

A statement from the former Liberal Democrat president, Otto Lambsdorff, a firm believer in the free market, warned the German government about renegotiating the agreement, saying it would spell the death of the Uruguay Round and lead to an "indefinite international trade war. Peter Sutherland, the new direc-

tor-general of Geneva-based GATT, will try on Tuesday to relaunch the Uruguay Round and get participating countries to promise that they will push for a deal by December.

With this in mind, he will meet Mr. Kohl on Wednesday and Prime Minister Edouard Balladur of France on Sept. 8.

In Paris, a spokesman for the main French farmers' union said Monday that the union president would meet his German counter-part in Paris on Tuesday.

The spokesman said the two unions shared a hostility to the Blair House agreement and wanted renegotiation of the accord

(Reuters, AFP, Knight-Ridder)

Crow Manages OKYO — For years now, foreign and Japanese market singlysts have invented reasons to explain why stock prices and most measures of share value in Japan should be many times higher than comparable measures in the West. To Keep Going

By Jeanne B. Pinder New York Times Service
DALLAS — Once the top

in Tokyo is not really a market.

Mr. Royama, dean of the economics department at Osaka
University: is one of Japan's U.S. real estate developer, a \$15 billion empire with scores of partners who shared in the ownership of hundreds of buildings, Trammell Crow Co. has shrunk próposals could bolster and split into two: a company that manages properties for others with a pattry \$19 million in profit last year and a separate that analysts say could have a major impact on a stock market private corporation that owns

closing in on its fourth year of a deep funk.

In short, the report offered the radical suggestion that the market should be a forum for the open interplay of supply and demand rather than manipulation by corporate interests. Corporations, it said, should be forced to disclose more information, raise dividends \$5.5 billion in assets. In just four years, two-thirds of the 180 partners lost their ownership interests in all buildings, and about that many left the company. In the same period, the company's staff was cut to 2,400 from 3,500. About 20 of It is a measure of the concern in Japan over the market's health that such ideas are being seriously considered within the government.

The report focused on what are known as mochial, or cross-shareholdings. These enveloping-webs between companies and financial institutions have thwarted the free-market principles that

its 90 U.S. offices were closed. A paradox is that by the standards of its industry, many consider the Trammell Crow real estate empire a success just because it continues to exist and even makes money — although it is by no means certain that its effort to remake itself will be a victory.

Because of the collapse in U.S. commercial real-estate values, Trammell Crow, once a group of swashbuckling build-ers who made millions of dollars on construction nationwide, has spent the last three years turning itself into a company that earns nickels and dimes managing other people's buildings and sweeping their floors.

Most of the assets it owned during the building boom of the 1980s have been taken out of the hands of departing partners and put in the hands of the family of Trammell Crow, the founder, in the separate corporate entity, Trammell Crow Interests.

Trammell Crow Co. is ranked the top property manag-er in the United States by the amount of space in its portfolio. 242.2 million square feet (21.8 million square meters), in this year's survey by the National Real Estate Investor.

The landscape is littered with the carcasses of developers who failed, perhaps most notably Olympia & York Developments Ltd., the Canadian empire whose U.S. arm is still alloat and still struggling to relinance

Even at Crow, success is relative. At the Dallas headquarters, J. McDonald Williams, 52, the chief executive since 1977. said the changes had been

"We got out of whack with See CROW, Page 11

Procordia United Brands

will on the 1st September 1993 become the business area

Swedish Match

The management offices are moving, effective as of the above date, after which time their address will be:

Chemin du Canal 5, P.O. Box 222. CH-1260 Nyon, Switzerland Tel: +41 22 363 93 93. Fax +41 22 363 91 91.

The business area's operations will, subject to the planned sale of the confectionery operations, concentrate on three product groups, namely tobacco, matches and disposable lighters.

The business area includes: Svenska Tobaks AB, the EBAS Group, the Pinkerton Group and Swedish Match Lights Division.

Well-known brand names include: Blend, John Silver, Ettan, Greve Hamilton, Borkum Riff, Bellman, La Paz, Willem II, Clubmaster, Red Man, Granger Select, Half and Half, Solstickan, Swan Vestas,

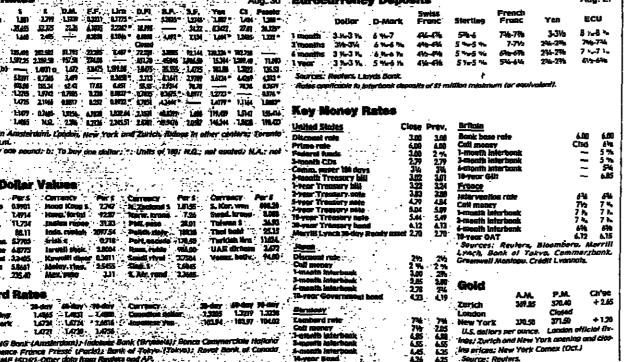
Zündis, Fiat Lux, Cricket, Feudor and Poppell.

The majority of the business area's sales are outside Scandinavia and their total worth amounts to approximately SEK 7.600 million, the net operating profit being approximately SEK 1.200 million.

The business area has approximately 8,000 employees and manufacturing facilities in 30 or so locations. It also has its own worldwide sales organisations in around 25 different countries.

The business area is presently wholly-owned by Procordia AB. As a result of an arrangement between Procordia's principal owners, ownership of Swedish Match shall be deemed to have been transferred to the Volvo Group, the transfer to be effective from the latter half of 1993. The business area company and its Supervisory Board remain in Sweden.







EUROPEAN FUTURES

Spot Commodities

N.Y.S.E. Odd-Lot Trading

8

Dividends

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Limited Inc.
Noti Gas & Oil Co
Pledmi Noti Gas
Themas Nelson

Food

MARKET DIARY

Telephone Shares Gather Strength

The Dow Jones industrial aver-

age withstood a late bout of profit-N.Y. Stocks

taking to edge 3.36 points higher, to 3,643,99. That brought it to just below its record close of 3.652.09. which was set Wednesday. Advancing New York Stock Exchange issues led decliners by a 3-to-2 ratio.

Among gauges setting records, the Nasdaq index of over-the counter stocks rose 3.31, to 737.38, reflecting gains in the computer in-dustry. The Standard & Poor's 500 was up 1,36, to 461.90, and the American Stock Exchange index added 1.28, to 456.27.

Buoyed by evidence the economy is struggling, the beliwether 30-year Treasury bond rose 6/32, to 101 26/32, reducing its yield to a record low of 6.12 percent, from 6.13 percent on Friday, Earlier, the yield was as low as 6.09 percent, but some of that was lost in late trading.

Bonds gained after the governwas revised to 662,000 from an ini-

NEW YORK — U.S. stocks rose on expectations of higher sales re-Monday, with several broad-mar-ket indexes setting records, buoyed sion to allow them to provide cable by sliding long-term interest rates and a rally in telephone issues. television services to their phone clients. Bell Atlantic rose 2½ to a 63¼, its highest since the so-called Baby Bells were spun off from American Telephone & Telegraph Co. BellSouth rose 11/8 to 581/8. Nynex added 1% to 91% and Pacif-

ic Telesis was up 11/8 at 541/2. National Medical Enterprises was the most-active issue on the New York Stock Exchange, down 14 to 715. The stock has been tumbling since Friday, after it was reported the FBI was conducting an investi-gation of possible criminal miscon-duct by the hospital operator.

Echo Bay led the American Stock Exchange actives, rising % to 12. The active December gold contract on the Commodity Exchange was up \$1.20, to \$373.30 an ounce. Also on the Amex. Fibreboard

was up 4% to 20%. The lumber maker and resort operator said it reached a preliminary pact with plaintiffs and its insurers on an asbestos class-action settlement. Fibreboard was one of six asbestos manufacturers found liable by a ment said new-home sales fell a Baltimore jury in 1992 for exposing sharp 5 percent in July, to an annu-al rate of 629,000. The June rate asbestos fibers.

Knight-Ridder, UPI, AP, Reuters)

The Dow Daily closings of the Dow Jones Industrial average

Aug. 30

Bow Jones Averages

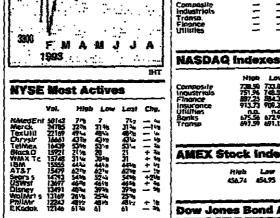
Standard & Poor's Indexes

NYSE Indexes

718 214 5727 +187 7818 514 5727 +187 7815 405.8 48.25 -0.54 1852 1832 185.42 +2.8 4.77 44.8 +1.8 42.3 40.22 45.90 +1.8 42.17 42.9 477.11 +0.76

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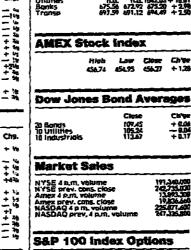
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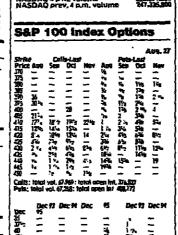
NYSE Diary

Amex Diary

NASDAQ Diary

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Sales of Marks for Yen **Push Dollar Higher**

Compiled by Our Staff From Dispatches NEW YORK - The dollar rose Monday in thin trading in a techni-Late in the New York day, the dollar stood at 1.6720 Deutsche

marks, up from 1.6640 late Friday, and at 103.80 yen, unchanged.
The U.S. currency rose to 5.8475
French francs from 5.8255 francs and to 1.4725 Swiss francs from

Foreign Exchange

1.4685. The pound, sapped by a brokerage report predicting lower Brit-ish interest rates, slipped to \$1.4931 from \$1.5050 on Friday, and to 2.4975 DM from 2.5015 DM.

"There is no fundamental reason for the dollar to rise today," said David Gilmore, a currency analyst at McCarthy, Crisanti & Maffei. "It's just a rebound from Friday when the dollar softened without any follow-through seiling."

A spot dealer at a U.S. ba Paris spoke of one buy order of \$100 million or so, "which had a totally inflated effect due to the thinness of the market." He noted that a holi-

Lisa Pazer, an analyst at MMS in

The Calcing and Ca

Frankfurt

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WORLD STOCK MARKETS

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Markets Closed Stock markets in

Hong Kong and Lon-don were closed Mon-

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New York, said dealers had bought yen and sold marks,

"There's so much uncertainty about dollar/yen, but the market apparently considers the yen a better buy today," she said. "But the yen rose against the mark, not the dollar, so dollar/mark gained."

She said the market was weighing what was called a confidential International Monetary Fund report which is described as the result of staff contacts with U.S. officials between June 16 and July 27. It reportedly says U.S. authorities insisted that the administration had no intention to talk up the yen or devalue the dollar.

The report made no mention, as far as is known, about the Federal Reserve's intervention of Aug. 19 buying dollars, which dropped the yen 4 percent versus the dollar.

In any event, the technical need for more dollars outweighed Mon-

Sales of new single-family homes fell 5.0 percent in July. Also, the merchandise-trade deficit widened to a seasonally adjusted \$34.39 billion in the second quarter, the widest gap since the fourth quarter of

3ca Central F Banto Santar Bantollo CEPSA Drogados Endesa Endesa Endesa Iberdrolo J Reasal Talbocalera Telefonica S.E. General Previogs : 1

Over López

FRANKFURT — German prosecutors are considering asking:

"A case could be made that there is a danger he might flee the coun-The report could not immediate

Mr. López, who joined Volks-wagen in March from General Mo-

chairman.
"Those reports are totally un-

Specter Of Arrest

a judge to issue an arrest warrant for José Ignacio López de Amor-nia, Volkswagen AG's charismatic and controversial purchasing chief. according to the German daily newspaper Die Welt.

try or collude to obscure the investigation," the newspaper wrote in an excerpt made available to other media in advance of the article's publication Tuesday. ly be confirmed.

tors Corp., and seven other former GM managers who moved with him to VW, are being investigated on allegations of industrial espionage. GM's German unit, Adam Opel AG, said the Lopez group stole corporate secrets from it. Meanwhile, Volkswagen's Spanish subsidiary, SEAT, dismissed as "pure speculation" newspaper re-ports that Mr. López, a Spaniard, would be joining SEAT as its board

founded and far-fetched," a SEAT spokesman said in Madrid. He also said a meeting of the VW supervi-sory board on Friday would deal with routine matters.

Russian Oil Privatization Plan

HOUSTON - Russia will privatize 60 percent of its oil and gas industry within 12 to 18 months. Prime Minister Viktor S. Chemomyrdin

Speaking to U.S. energy-industry leaders, he also detailed some of the projected costs of halting the decline in Russian oil output that has been under way since 1989. Mr. Chernomyrdin said \$10 billion to \$12 billion in investments would be needed to restore the thousands of existing oil wells in Russia that are

not operating efficiently enough to produce. He said an additional 5.3 million barrels a year could come from these wells.

Mr. Chernomyrdin also said another \$10 billion would be needed to improve output levels at producing fields.

He said a total of \$60 billion to \$65 billion would be needed by the year

2000 to build up other aspects of the energy sector, such as developing new oil fields and building up the oil-field equipment industry.

Trade Deficit Grew in 2d Quarter

WASHINGTON (Combined Dispatches) — The U.S. merchandise. WASHINGTON (Combined Dispatches) — The U.S. merchandise trade deficit, on a balance-of-payments basis, widened to \$34.4 billion in trade deficit, on a balance-of-payments basis, widened to \$34.4 billion in the second quarter, the Commerce Department said Monday. It was the largest quarterly trade gap in five and a half years and the It was the largest quarterly trade gap in five and a half years and the fourth worsening in the trade balance in the last five quarters. The deficit fourth worsening in the trade balance in the last five quarters. The deficit fourth worsening in the trade balance of percent in Separately, the government said sales of new homes fell 5 percent in Separately, the government said sales of new homes fell 5 percent in Separately, the government said sales of new homes fell 5 percent in separately, the government said sales of new homes fell 5 percent in Separately, the government said sales of new homes fell 5 percent in Separately, the government said sales of new homes fell 5 percent in Separately, the government said sales of new homes fell 5 percent in Separately, the government said sales of new homes fell 5 percent in Separately, the government said sales of new homes fell 5 percent in Separately, the government said sales of new homes fell 5 percent in Separately, the government said sales of new homes fell 5 percent in Separately, the government said sales of new homes fell 5 percent in Separately, the government said sales of new homes fell 5 percent in Separately, the government said sales of new homes fell 5 percent in Separately, the government said sales of new homes fell 5 percent in Separately, the government said sales of new homes fell 5 percent in Separately, the government said sales of new homes fell 5 percent in Separately, the government said sales of new homes fell 5 percent in Separately, the government said sales of new homes fell 5 percent in Separately, the government said sales of new homes fell 5 percent

Insurers in Huge Asbestos Settlement

NEW YORK (Combined Dispatches) — Two insurers that provided

Fibreboard Corp. with liability insurance in the 1950s have agreed to the

costlicts settlement of asbestos-injury claims ever proposed, the buildingmaterials concern said Monday.

costlicst settlement of asbestos-injury causes their materials concern said Monday.

Chubb Corp. and CNA Financial Corp. agreed to increase their combined reserves for asbestos-injury claims to more than \$3 billion. combined reserves for asbestos-injury claims to more than \$3 billion. combined reserves for asbestos-injury claims to more than \$3 billion in the Chubb said it would take an after-tax charge of \$358 million in the third quarter related to the settlement provision. CNA Financial, which is third quarter related to the settlement provision. CNA Financial, which is third quarter related to the settlement provision. CNA Financial, which is third quarter related to the settlement provision. CNA Financial, which is third quarter related to the settlement provision. CNA Financial, which is third quarter related to the settlement provision. CNA Financial, which is third quarter related to the settlement provision. CNA Financial, which is third quarter related to the settlement provision. CNA Financial, which is third quarter related to the settlement provision. CNA Financial, which is third quarter related to the settlement provision. CNA Financial, which is third quarter related to the settlement provision. CNA Financial, which is third quarter related to the settlement provision. CNA Financial, which is third quarter related to the settlement provision.

It Was a Hot July for Bond Funds

NEW YORK (Knight-Ridder) — U.S. investors poured a record amount of money into long-term mutual funds last month, according to data released Monday by the Investment Company Institute.

Net new cash flow into bond and income funds surged to \$13 billion in July from \$10.6 billion in June. The previous bond funds monthly record of \$12.8 billion was set in January 1987.

Net new cash flow into stock funds was also strong, rising to \$9.7 billion in July from \$9.2 billion in June.

Mercedes Truck Unit Will Expand

PORTLAND, Oregon (Bloomberg) - Mercedes-Benz AG said Mon-

POKILAND, Oregon (Bloomberg) — Mercedes-Benz AG said Monday its Freightliner Corp. American subsidiary would invest about 90 million Deutsche marks (\$53.9 million) over the next two years to expand its truck production capacity in response to rising sales.

Truck sales rose 38 percent in the first half of the year to 17,200 vehicles. Mercedes-Benz said Freightliner planned to manufacture 48,000 trucks this year, and it said it aimed to raise the total capacity of its Freightliner plants to 60,000 vehicles a year.

UAW Picks Ford as Target Company

DETROIT (Bloomberg) — Ford Motor Co. was chosen Monday by the United Auto Workers as the target company to complete negotiations for contracts covering about 400,000 union members by midnight Sept. 14.

The union traditionally chooses one of Detroit's Big Three automakers to either finish negotiations by the deadline or face a possible strike. The UAW then bargains later with the other two carmakers.

Weekend Box Office

The Associated Press

LOS ANGELES - "The Fugitive" remained at the top of the U.S. box-office charts for a fourth consecutive weekend. Following are the Top 10 moneymakers, based on Friday ticket sales and estimated sales or Saturday and Sunday.

he Fugiliye"	(Warner Brothers)
Veedful Things"	(Costie Rock)
lard Target"	(Universal Pictores)
Von Without a Face"	(Womer Brothers)
The Secret Garden	- (Warner Brathers)
lurossic Park"	(Universal)
Riskes Sont"	(29th Century Fest)
n toe Une of Fire"	(Columbia Pictures)
Sleepless in Sentile"	(TriStar)
Free Willy"	. (Warner Brothers)

European Stocks Hit Records

consecutive session as markets across Europe gained from investor

points, or 0.9 percent to 1,921.29 points and the Commerzbank measure gaining 12.10 points to 1,103.60. London was closed for a holiday.

Agence France-Presse

PARIS - Stock prices rose to record levels Monday for the third day's weak U.S. economic reports. confidence that lower interest rates are on the horizon.

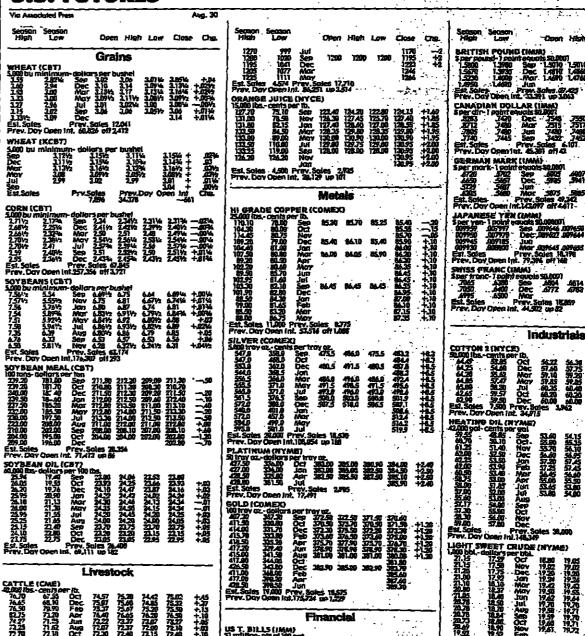
The Paris Bourse's CAC-40 index gained 1 percent, to a

points, up from Friday's 2,183.88.

The Frankfurt market was also strong, with the DAX index rising 17.29

The European component of the International Herald Tribune World Stock Index was at 105.62, down 0.02 percent from 105.64 on Friday. The index tracks the dollar value of stocks.

U.S. FUTURES



<u>For</u> <u>investment</u> <u>information</u> read

THE MONEY **REPORT** every Saturday

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CATTLE (CAME)

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DUBLIN - Dennis Stevenson a London businessman, will re-place Tony Ryan, founder of GPA Group PLC, as its chairman under a rescue package for the world's largest aircraft-leasing firm, avia-

tion sources said Monday. The sources said GPA's prominent nonexecutive directors — Nigel Lawson, a former British chancellor of the Exchequer, Garrer Fitzgerald, a former prime minister of Ireland, and Sir John Harvey-Jones, a former chairman of Impetric Co. to save GPA.

French Jobless Total Mounts

Compiled by Our Staff From Desputches published Monday the economy PARIS—The French govern-had stabilized and a "real recovment tried Monday to put a good ery" was expected to become eviface on its latest unemployment numbers, which, as expected, showed joblessness rising to a record 11.7 percent in July.

"This 0.8 percent rise is the

smallest increase in the last six months, but unemployment is still growing faster than last year," the Labor Ministry said. The July total of 3.21 million jobless was 10.0 percent more than a year earlier, while the rate in June of this year was 11.6 percent.

Was "far from being unrealistic."

Some analysts took an opposing view. "There is no improvephandery said in an interview

dent within several months.

In the economic daily La Tri-bune, Mr. Alphandery said: "In all likelihood, we are at the bottom of the cycle, at a weak level of economic activity. This floor should lead into a real recovery several months from now." He said the government's forecast the economy would "exit from the tunnel" by early next year economist at Credit Agricole. "And everyone knows they are going to get worse."
The July figures were in line

with market expectations and fit last month's forecast by INSEE. the French national institute of statistics.

Economic activity probably picked up in the second quarter. but analysis were pessimistic about the current period. "I think we'll see GDP falling off again in this quarter," said Bernard Godement of Nomura Research Insti-Ad. (AFX, Reuters, Knight-Ridder, Bloomherg)

rial Chemical Industries Ltd.— Montedison Holders Back Legal Action would also leave their posts under a Montedison Holders Back Legal Action plan worked out with General Elec.

ment at all in today's figures."

GPA, straining under debts of MILAN — Shareholders of Montedison SpA ap-\$5.5 billion, was pulled back from proved Monday a request from the new management the brink of collapse in May when to begin legal proceedings against former executives of the financial services subsidiary of the indebted Italian chemicals concern.

General Electric; the American Guido Rossi, a securities lawyer brought in to electronics, defense, broadcasting become president in early June when the entire Ferand consumer-products giant, razzi group could not handle its debts, told sharehold-agreed to buy 45 aircraft from it in return for the right to buy 65 per group showed "irregularities, illicit acts and episodes cent to 80 percent of GPA's shares.

Mr. Rossi said the acts were carried out under "tight and vigilant direction, and following precise instructions, by certain components of the parent company. He added, "These operations caused great losses and serious damages to your company."

The former executives concerned are Giuseppe Garofano, Carlo Sama, Roberto Magnani, Artmo Fer-ruzzi, Romano Venturi and the estate of the late Raul

Monday's meeting dealt solely with Montedison SpA, the main operating subsidiary of the group.

The company, the third large German chemical maker to report weak first-half results, said busi-

year earliet.

low in Germany.

ness was worse in the second quarter than in the first and expected the remainder of 1993 to prove difficult Last week. BASF said pretax profit had fallen by more than half. while Bayer AG reported a 20 percent decline.

tion Deutsche marks (\$241 mil-

Business was weak in July and ticular stimuli for the coming

31% as Demand In Germany Sags

Je Ji volica

FRANKFURT — Hoechst AG, one of the Big Three German chemical makers, reported Monday that first-half pretax profit had plunged 31 percent because demand and prices were narricularly.

Hoechst Profit Falls

mand and prices were particularly aimed at cutting costs and improving structures will be continued The company said group first-half net profit dropped to 402 mil-

In Western European countries other than Germany, business kept to a low level. Hoschst said. It said lion), from 583 million DM. Group sales dropped 2.4 percent to 22.88 billion DM, from 3.45 billion DM a that foreign operations increased profits, without giving figures.

Parent-company pretax profit plunged 47 percent to 342 million DM, from 643 million DM a year earlier. Parent-company sales fell 12 percent, to 7.23 billion DM from

Hoechst Celanese, the U.S. fibers unit, recorded a 6 percent drop in sales, to \$3.1 billion. Sales in Africa, Asia and the Pacific basin fell I percent, while sales in Latin August and there is no sign of par- America showed a "slight gain."

(Bloomberg, Reuters)

Investor's Europe Frankturt FTSE 100 Index DAX **CAC 40** 220C · 1900 1000 1500 M A M J J A NA W Y W J J Y SLE MV M. M. OBLZ Exchange Monday Close **CBS Trend** 129,90 128.10 +1.41 Brusseis Stock Index 6,753.58 -1.13 Frankfurt DAX 1.904.60 +0.91 1.921.89 Frankfurt FAZ 738.74 +0.53 734.83 Helsinki HEX 1,414.85 1,421.75 -0.49 Financial Times 30 London Closed 2,413.00 FTSE 100 London Closed 3,100.60 Madrid General index -0.04 302.59 302.71

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Very briefly:

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 Oerlikon-Bührle AG, a conglomerate that sells armaments, shoes and vacuum technology, said its first-half net profit, at 15 million Swiss francs (\$10.1 million), had been hit by a 14 percent decline in revenue, to 1.38 billion francs; the adoption of new accounting standards meant the profit removing "useless restrictions" was not comparable with last year's first-half result of 5.5 million trancs, would help stations' profitability. • FAG Kugelfischer Georg Schäfer KGaA, Europe's second-biggest ballwas not comparable with last year's first-half result of 5.3 million francs.

bearing manufacturer, said it had suffered a net loss of 103 million ence the limit on the stake a single Deutsche marks (\$61 million) in the first half of the year. • AMB Aachener & Münchener Beteiligungs AG, the German insurer: expects to pay a 1993 dividend of no less than last year's 10 DM a share.-

Another important measure was • Puma AG Rudolf Dassler Sport swung to a net loss of 55.7 million DM the possibility for channels to run a in the first half of 1993 from a profit of 2.2 million DM a year earlier. Mr. Carignon, giving a preview of a second advertising break during a bill to be presented this fall, said the broadcast of European films. development unit of G.D. Searle & Co.

AFP, Blevemberg, AP

Continued from Page 9

the decentralized, jet-jockey system of the 1980s," he said; and the downturn forced a change to man-agement instead of building. It's a nickel-and-dime, thin-margin, service-oriented business," he said. "It's tough, but it's our world."

1980s - is what made Trammell but also the debt risk. Crow a success.

At its peak, the company was by bright young graduates from the best U.S. business schools: It stayed in the partnership." Salaries It's tough, but it's our world."

their experience, market knowledge big, so the partners, paychecks
The jet-jockey culture.—Mr. and connections to build in part-

sive, build-more-now ethos of the sharing not only a project's profits,

One former partner said the company "was almost socialistic in sought out local partners who used were small and partnership profits Williams's phrase for the aggres- pership with the parent company. This is not particularly surprising

for a company built in part on the theory that "the seller is always wrong" - one of the aphorisms attributed to Trammell Crow.

Three years ago, after the downturn hit. Crow management insti-tuted a plan to deal with the plummeting values of its real-estate holdings by taking back partners' ownership interests in the buildings in exchange for forgiveness of debt.

CROW: U.S. Developer Managing to Get Through a Real Estate Collapse France to Relax TV Rules

PARIS - France plans to relax curbs on television ownership and

advertising Communications Minister Alain Carignon said Monday. The rules would benefit films and dramas produced in Europe by allowing increased advertising dur-ing such programs.

He told a media-industry confershareholder could own in a station would rise to 50 percent from 25 percent.

NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded sacurities in terms of dollar value. It is.

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ELYSEES COURT TERME, SICAV

Société d'Investissement à Capital Variable Siège Social: 8, avenue Marie-Thèrèse / 1-2132 Luxembourg R.C. Luxembourg N° B 25803

Messieurs les actionnaires sont convoqués par le présent avis à L'Assemblée Générale Statutaire de notre Société qui aura lien le 7 Septembre 1993 à 11 heures au siège social avec l'ordre du jour suivant :

Examen et approbation du rapport de gestion du Conseil d'Administration, du rapport du Réviseur d'Entreprises agrèc, des comptes annuels et de l'affectation des résultats;

- Décharge aux Administrateurs pour l'exercice de leurs mandats;

- Renouvellement du mandat du Réviseur d'Entreprises agrée pour une année;

Les actionnaires sont avertis qu'il n'y a pas de quorum pour délibèrer valablement et que les résolutions sont prises à la simple majorité des actions présentes ou représentées.

Les détenteurs d'actions au porteur sont priés de déposer leurs titres einq jours avant l'Assemblée Générale auprès de :

C.C.F. (Luxembourg) S.A. 8. Avenue Marie-Thérèse 1-2132 Luxembourg

Le Conseil d'Administration

ELYSEES MONETAIRE, SICAV

Sociélé d'Investissement à Capital Variable Siège Social: 8, avenue Marie Thérèse / 1-2132 Luxembourg R.C. (wembourg N° B 2579)

Messieurs les actionnaires sont convoqués par le présent avis à L'Assemblée Générale Statutaire de notre Société qui aura lieu le 7 Septembre 1993 à 10 heures au siège social avec l'ordre du jour auivant :

Examen et approbation du rapport de gestion du Conseil d'Administration, du rapport du Réviseur d'Entreprises agréé, des comptes annuels et de l'affectation des résultats;

- Décharge aux Administrateurs pour l'exercice de leurs

- Renouvellement du mandat du Réviseur d'Entreprises agréé pour une année:

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Les détenteurs d'actions au porteur sont priés de déposer leu*r*s titres eing jours avant l'Assemblée Générale auprès de :

C.C.F. (Luxembourg) S.A. 8, Avenue Marie-Thérèse L-2132 Luxembourg

Le Conseil d'Administration

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d. Mediadowin Stelective Fd — Ed. 9

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W Velbond - SFR (Lun) _ _ _ Eco

AS - Australian Dollars; AS - Austrian Schillings; BF - Belgian Francs; CS- Canadian Dollars; DM - Deutsche Marks; ECU - European Currency Unit: FF - French Francs; FL - Dutch Florm; Lf - Halian Lira; Lf - Luxembourg Francs; p-pende; Pas - Pesetas; SGS - Singapore Dollars; SF - Swess Francs; Y - Yest a - actiod - Differ Prices; N.A. - Not Available; N.C. - Not Communicated; o - New S - suspended; SF - Stock Spine - Ex-Ris; - @ Otter Price incl. 3% pream, charge; - Paris exchange; Amsterdam exchange; e - misquoted earlier; x-not registered with regulatory authority.

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REPORT THE MONEY REPORT

STATE STATE OF STATE

ASIA/PACIFIC

Matsushita Unveils Flat TV Screen

Pholding.

TOKYO - Matsushita Electric Industrial Co. unveiled on Monday and said mass production would reduce its price to about twice that of current IV tubes.

The new screen makes it possible to build a 14-inch (36-centimeter) television set less than 10 centime ters thick. Industry analysts shown a prototype set said its picture looked as good as that on a regular TV:

Matsushita also plans to release a flat computer display next year as part of its bid to secure 10 percent of the global display market. When it first hits the market this

October in Ispan, each Flat Vision television will cost 288,000 year. (\$2,770). But Matsushita engineers said the herty price was due to low production volume. They plan initially to make only

1,000 screens a month, no timetable was given for the start of mass.

Analysts say Flat Vision will change the way TVs are used. Sets will fit on to book shelves and into kitchen cabinets and could be built into desks and tables to pop out

Continued from Page 9

been freed to fluctuate according to the law of supply-

Private businesses employ about 30 million people;

and many enterprises owned by the central and local.

governments enjoy autonomy. As a result, only about 12 percent of China's industrial output was subject to

central planning last year, said an Oxford University professor, Cyril Lin.

Beijing's spectacular economic success. Tackling these

issues will involve extraordinary political definess. The

hardest parts of reform remain undone," said Diane Yowell, director of China research at Hongkong &

Shanghai Banking Corp.
China still has more than 400,900 state-owned en-

terprises employing about 80 million workers, and the

largest 11,000 of these cost the government about \$26 billion a year in subsidies — more than it spends on

public health and education. Moreover, China is saddled with an antiquated, bureaucratic banking system

unsolved, including some that threaten to un

Still, many structural problems in China remain

TNT and Founder Part Ways

SYDNEY - The Australian transport piones Sir Peter Abeles on Monday severed his ties with TNT Ltd., the company he built from a two-truck operation into a global empire over four decades. Sir Peter, 69, and four other directors resigned after the TNT board rejected their calls to change the strategy of the unprofitable company, TNT's charman, Fred Millar, said in a statement.

"INT's strategy for the last year has been very clear." Mr. Millar said. "I regret the resignations but I must say management can now proceed to implement the continuing strategy with confidence."

He said the strategy concentrated on improving operating earnings, selling noncore assets and cut-ting debt, and focusing management efforts on

strong core transport businesse The stock market reacted positively, pushing INT shares up 5 Australian cents to 1.27 dollars (85 U.S. cents) by the close. That compared with a low of 53 cents a share last November amid concern about more than two years of losses at TNT. Monday's rise constituted "a sign people were reluctant to buy the stock while Abeles remained in any way associated with it," one broker said. Sir Peter resigned as managing director in September 1992 but stayed on as a director and deputy

chairman until Monday.

TNT recorded a loss of 195.2 million dollars in the year to June 30, 1992, which was little changed from the 1990-91 loss of 197.18 million dollars. TNT is to report its 1992-93 results on Sept. 10.
It recorded a net loss of 92.04 million dollars for the nine months to March 31, 1993.

Born in Austria in 1924, Sir Peter founded a two-truck business in Australia in 1949, taking over Thomas Nationwide Transport in 1967 and building it into a group with total assets at June 1992 of 3.05 billion dollars and with more than 31,000 employees in more than 180 countries.

toward interventionist" trade poli-

Recovery in the Australian economy in the latest business year was ther improvement is expected" in

For the year ended May 31, BHP posted a net profit of 1.29 billion Australian dollars (\$859.4 million). compared with 588.8 million dol-

BHP this month reported its

in almost three years, with July shipments 9 percent higher than year-earlier levels and 10.5 percent higher than June's.

Internationally, the company said its major production centers close to the dynamic economies of Asia" and well-established links an Aug. 15 deadline. with the region gave it a "strong competitive position in Asian markets, providing sound prospects for

CHANGCHUN: The No. 1 Automotive Manufacturing Plant Shows How Far Capitalism Has to Go in China the advice he received in June at a meeting with World interest. Rather, they are local bureaucrats who shovel loans at artificially low interest rates to state-owned enterprises, as required by the central plan. They also

funnel money to businesses with powerful connections

was taken.

money overseas.

or to friends or people willing to pay bribes. China "is still far away from a fully grown financial system that would allocate financial resources to the best possible use and contribute to macroeconomic

stability," the World Bank said in its report. Another problem is that the People's Bank of China supposed to be the nation's central bank, but it barely functions as one. Its numerous local branches owe more loyalty to provincial officials than to Beijing, so it is susceptible to political pressure from local

been put in charge of the economy.

The banking system is partly to blame. Chinese the economy and rein in property speculation and are bankers do not lend money based on whether a project contemplating longer-term steps aimed at rectifying appears to offer a good chance of repayment with distortions created by the financial system.

China Central Bank Is Ordered to Cut Links to Own Firms

محداس الرامل

running at more than 20 percent

In the last week. China has also

The central bank last week re-

Kong that corrupt bank officials

state funds, in part by setting up

companies that had transferred the

knowledging that corruption is

worse than at any time since it

But the Communist Party, ac-

siphoned off \$28 billion in

stepped up its crackdown on corrup-

annually in major cities.

Compiled by Our Staff From Dispatches BELJING - China. extending in anti-corruption drive and seek ing to halt a loss of state funds, has ordered the central bank to cut all links with businesses it set up.

tion, reporting the arrests of a vice minister and 19 other officials in a massive bond fraud. Four state em-Regulations issued jointly by the People's Bank of China and the ployees were sentenced to death, and the corrupt boss of China's rich-Finance Ministry that went into est village was jailed for 20 years. effect Sunday require all profits The People's Daily, in a front-page commentary, called for Com-munist Party members to study past earned by the businesses to be turned over to the government, the

People's Daily reported Monday. remarks of the party leader. Deng Meanwhile, four brokers in-volved in the Shanghai stock ex-Xiaoping, on lighting corruption, which include a directive to start by change were sentenced to between investigating senior leaders. seven and 20 years in prison for using public funds to play the mar-ket, the Hong Kong China News jected a report published in Hong

Service said. In another economic development, Xinhua news agency quoted an official of the People's Bank of China as saying 15 Chinese banks had recalled 72.7 billion yuan (\$12.61 billion) in illegal loans by

That recall was part of a campaign announced in early July to cool China's overheating economy and control inflation, which is now

Singapore Straits Times Hong Kong. Tokys Hang Seng Nikkei 225 2236 21000 20000 17700 17700 ALL MA'M 308 16005 M A M J J A Exchange #ndex Prev. Hong Kong Hang Seng Closed 7,422.98 Singepore Straits Times 1.995.10 2,007.92 All Ordinaries 1,956.00 1,948.60 +0,38 Tokyo : Nikkel 225 20,912.69 20,791.68 +0.58 Kuale Lumpur Composite Closed SOR 49 Bangkok QR2.53 962.47 -0.01 Seoul Composite Stock 672.12 -2.57 689.B2 Taipei Weighted Price 3.923.45 3,927,75 -0.11 Manila Composite 1,776.07 1.765.81 +0.58

Investor's Asia

Very briefly:

New Zeeland NZSE-40

Jakarta

came to power in China in 1949, has acknowledged that public an- American, European and Japanese computer companies have agreed to ger over official abuses could lead adopt the Unix system as a standard for computer operating systems, an to its downfall unless tough action official of Fuitsu Ltd. said, confirming a report of an accord between (AFP, Bloomberg) Unix International and the Open Software Foundation.

Closed

1,984.10

1,244.40

409.67

1.998.50

1,250.60

-0.72

Stock Index

National Index

• Toyota Motor Corp., Nissan Motor Co, and Honda Motor Co, credit ratings were placed on CreditWatch with negative implications by Standard & Poor's Asia Ltd., which cited worsening industry conditions and the costs of the strong yen.

• Japan's vehicle exports fell 13.9 percent in July from a year earlier to 404,178 units, the fourth consecutive month of year-on-year decline.

• East Japan Railway Co. shares will be priced at 380,000 yen (\$3,633); when they are listed on the Tokyo Stock Exchange on Oct. 26. Japan National Railway Settlement Corp. said. The price was based on the weighted average of all the bids accepted in this month's auction.

 Sharp Corp. plans to shift production of two types of washing machines. to an affiliate in the Philippines to cut costs. Sanyo Electric Co. said it would move 90 percent of its production of audio equipment to subsidiaries in Singapore, Malaysia and China by the end of this year.

• South Korea's five automakers plan to invest \$9.7 billion to double theirproduction capacity to more than 5.3 million cars a year by 2000. · Allied Industries International Ltd., a subsidiary of Allied Group of

Hong Kong, said it had agreed with Jilin Chemical Industrial Corp. of. China to form three chemical-making joint ventures.

BHP Warns of Pressures on '94 Earnings

MELBOURNE - Broken Hill Pty, saying the world's economic recovery remained uncertain. warned Monday that earnings in 1994 could be hurt by lower com-modity prices, competition for markets and what it called a "drift

cies in the world.

the current year, the minerals, energy and steel concern. Australia's largest company, said in its annual report released Monday.

lars in the previous 12 months.

(Reuters, AFP) "modest and patchy, although fur-largest domestic shipments of steel

that was designed mainly to fund the state-owned

enterprises at levels set by the government's central

heating. A recent 14 percent surge in the growth rate is

igniting inflation, and authorities are trying to cool the

commy down. A previous episode of fast expansion and sudden slowdown helped spark political unrest in 1988-89, culminating in a bloody crackdown in Tianan-

men Square.
"Unless the authorities move forward with reform

they'll continue to have these severe stop-go cycles,"

Beijing evidently agrees. Official statements from

top leaders, and private remarks by government bu-

reancrats, indicate that authorities may be formulat-

ing one of the most ambitious reform drives yet under

the direction of Deputy Premier Zhu Rongji, who has

Bank officials and other foreign economists, who warned that China's boom was in danger of going Revemping the financial system is an especially ur-gent priority, economists widely agree, because its lack of market discipline makes the economy prone to over-

It would not matter much if inefficiency and costly subsidies were the only problems created by the unreformed parts of the economy. Beijing has achieved an enviable record of expansion by allowing the reformed sectors — including agriculture, which employs hundreds of millions of Chinese — to outgrow the unreformed sectors, such as the auto, steel, chemical and machinery industries. In the process, China has managed to pursue reform gradually, avoiding the "shock therapy and wholesale privatization of state-run ies adopted by East European countries such as Poland

But the big problem with China's half-reformed status is that it contributes to the economy's propensity for wild up-and-down swings.

governments that want credit for pet projects. One result is that the money supply has tended to expand at inflationary annual rates of 20 percent and more.

It is because of all this that Mr. Zhu and his licutenants are adopting emergency measures to cool

AIR: U.S. Partners in Bilateral Accords Challenge the Growing American Dominance of International Routes

Continued from Page 9

three times the number of Americans flying to Japan, but U.S. carriers lay claim to 69 percent of the traffic. keep pushing into international markets to position. Sustima Yamaji, chairman of Japan Air Lines, travelent from B.S. carriers are lead to Washington in May to lobby for a new agreement though U.S. carriers such as Southwest Ardines, they are feared downstrated as Southwest Ardines.

A similar market share imbalance prompted France

when the United States signed its agreement with Japan in 1952, for example, there was no Japanese airline that flew international routes. Now the number of Japanese flying to the United States is more than

Relations with Germany on this issue were strained earlier this year when Northwest Airlines added flights from the United States to Germany through Amster-

KIM. The German government decided that Northwest-KLM flights represented additional U.S. traffic that was not authorized by the two countries agreement.

And Lufthansa won an order from a Frankfurt court demanding that Northwest stop advertising the connecting flights as seamless trips from the United States to Germany.

A similar market-share imbalance prompted France cellor Helmut Kohl to Mr. Clinton insisting on a new of rules that limit foreign carriers' investment in U.S.

between Lufthansa and either United or American is imminent, and that could influence the German gov-

If no progress is made in the current talks, Germany may renounce its bilateral agreement. Should that occur, both sides would have a year to work out a new

In contrast to the talks with Germany, the United

States is expecting to plow new territory with British

With British Airways' investment of \$400 million in USAir earlier this year, and its desire to invest another The argument has resulted in two letters from Chan-

would discuss a more open aviation agreement when

eral agreements would emerge from its talks with the British government. That message will undoubtedly be directed at European Community officials, who have adopted measures this year that limit air-fare cuts and

COMPANY RESULTS

Revenue and profits or Morgan losses, in millions, are in local currencies unless local currencies unless local currencies. Tyco Labor 1993 1992 770,00 942,00 1993 1992 1,410 1,754

Prince to the United States is more than was not authorized by the two committees and the control of the contro

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White Sox Widen AL West Lead, Giants Stay 4 Ahead of the Braves San Francisco Ends Skid

Chicago's McCaskill Leads 13-5 Assault on the Twins

Kirk McCaskill was just follow-

ing orders.
In his first start since Aug. 3 and his second since June 14, McCaskill allowed one run on seven hits over six innings as the White Sox routed the Minnesota Twins, 13-5, on Sun-

day night in Chicago.
"I do what I'm told to do," said McCaskill, who was moved to the

AL ROUNDUP

buil pen in late June. He walked two and struck out two.

"I'm just happy the team is winning and in first place," he added. "It's satisfying to get a win because in the position I'm in I don't get to make a signifcant contribution that

Frank Thomas provided the major offensive support with his 36th home run and three runs batted in. raising his major-league-leading RBI total to 109.

Bo Jackson hit a two-run homer, and Robin Ventura, Craig Grebeck and Tim Raines each drove in two runs as Chicago pounded three Minnesota pitchers for 18 hits.

The White Sox stretched their lead in the American League West to 4½ games over Texas and re-mained five games ahead of Kansas

City.
The Twins have lost 11 of 14 games and nine of 12 to Chicago

Blue Jays 6, Mariners 2: Roberto Alomar hit the first grand slam of his career and Joe Carter reached 100 RBIs for the fifth straight year as Toronto won at the Kingdome. The Blue Jays averted their first-

ever four-game sweep by Seattle. Even so, the Mariners won five of seven games against Toronto in the

Alomar's slam came in the third against Erik Hanson after three straight singles. Later in the inning. Carter's single gave him 100 RBIs

for the seventh time in eight years.

Athletics 7, Tigers 3: Oakland stopped a nine-game losing streak and snapped Detroit's seven-game winning string with a victory at the

The Athletics' skid was their worst since 1986. They have not lost 10 in a row since 1979.

The Tigers' second baseman, Lou Whitaker, made two errors, leading to three unearned runs. Royals 5, Red Sox 4: A day after

striking out five times in an 11inning loss to Boston, Greg Gagne singled home the winning run in the 12th in Kansus City. Gagne was 0-for-27 against the Red Sox this season before his hit

off John Dopson. Wally Joyner led off with an infield single, Gary Gaetti sacrificed and Kevin walked, bringing up Gagne.

George Brett went 4-for-5 and stole his 200th career base. He joined Willie Mays and Hank Aaron as the only major leaguers with 3,000 hits, 300 home runs and 200

Orioles 6, Rangers 3: Jamie Moyer's off-speed stuff kept Texas off-balance, and Baltimore won on

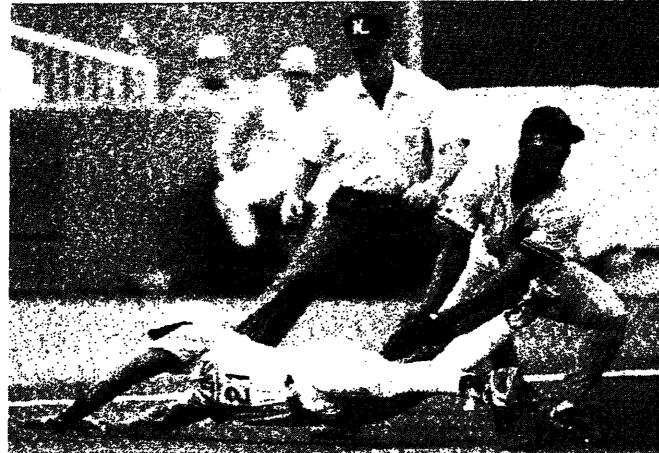
Moyer extended his shutout streak to a career-high 20 innings before the Rangers scored in the seventh. He became the first Orioles left-hander to reach double fig-ures in victories since Jeff Ballard won 18 in 1989.

In earlier games, reported in some Monday editions: Yankees 14, Indians 8: Paul

PEANUTS

WHAT A CURIOUS

feeling, said alice '



The Giants' Salomon Torres tagging out Florida's Chuck Carr. In his major-league debut, Torres five-hit the Marlins for the victory.

for the Yankees, who overcame an early 7-2 deficit to gain a split of the four-game series. The 14 runs were a season high. The game was the Yankees' last ever at Cleveland

New York scored six times after a Stadium, site of many memorable Felix Fermin fielded it at shortstop

New York, still trailing, 7-4, in the sixth, had runners at first and second with two outs when Wade ston pitched six strong innings, giv-Boggs bit a grounder to the hole. ing California its first two-game

controversial play in the sixth in- meetings when they and the Indi- and threw to Alvaro Espinoza at ning turning around a lopsided ans were both baseball powers in third, but Espinoza — his back to game in Cleveland.

Dion James drove in four runs move to a new ballpark next seather bag and apparently missed when he waved his glove blindly at

Nokes's legs.

Angels 6, Brewers 1: Mark Lang-

winning streak on the road since

Rene Gonzales doubled twice and drove in two runs, and J. T. Snow hit his 12th home run for the Angels. Milwaukee right fielder Juan Bell dropped a fly ball in the third inning setting up Gonzales' bases-loaded double off Rafael

Salomon Torres began the scason in Double-A Shreveport. He will not be back there anytime The San Francisco Giants' new

face in the pennant race won his major-league debut on Sunday night, allowing just five hits and two walks in seven innings to beat

NL ROUNDUP

the Marlins, 9-3, in Miami. The National League West frontrunners, who begin a three-game series at Atlanta on Tuesday, reained a four-game lead over the Braves, Atlanta beat Chicago, 8-2.

"I wasn't nervous." Torres said. "For the first batter I was excited. I walked him and then I realized, Let me settle down, or you're going to make a fool of yourself."

The 21-year-old right-hander snapped the Giants' four-game los-

ing streak, longest of the season.
The Giants banged out 15 hits, all in the first six innings. Todd Benzinger hit a three-run homer, and Willie McGee and Royce Clayton each contributed a two-run:

Rikkert Faneyte made his majorleague debut as the Giants' leadoff hitter and played center field. He

As Rookie Wins in Debut and Torres both singled for their first hits in the big leagues.

Dodgers & Cardinals 3: Mike Pi
222 hit two homers to drive in

three runs and Orei Hershiser pitched six solid innings while increasing his batting average to 424 with an RBI double as Los Angeles beat visiting St. Louis. Allen Watson allowed six runs and 11 hits in 4% innings.

Rockies 6, Mets 1: Lance Painter, just recalled from Triple-A Colorado Springs, pitched a five-hitter for his first major league victory as the Rockies beat New York to split the four-game series at Shea Stadi-

Padres 11, Pirates 9: Doug Brocail stopped a personal seven game losing streak, pitching seven shutout imings as visiting San Diego routed Pittsburgh and rookie John Hope (0-1) to split the doubleheader. in the opener, Bob Walk, pitching while be appeals a lengthy suspension, stopped his four-game losing streak and San Diego's five-game winning streak for the Pitales. Andy Ashby's wild pitch set up two ruis.

In earlier games, which were re-ported in some Monday editions: Phillies 12, Reds 6: Danny Jack-Torres gave up one run in the son gave up five hits in seven in-third on Darrell Whitmore's nings and Mickey Morandini and homer, and another in the fourth Wes Chamberlain each drove in when he balked with a runner at four runs as Philadelphia used a 17third. But the rookie never looked hit attack to beat visiting Cincinnati, salvaging the finale of a three-

ry-plagued rotation. During the losing streak; each starter was knocked out by the sixth inning.

It helped Torres that his team took a quick 4-0 lead.

Expos 3, Astros 2: Marquis Grissom hit a three-run homer off Greg Swindell in the fifth inning and Ken Hill tossed live-hit ball for seven as Montreal beat Houston to sween the three-game series at Olympic Stadi-um. Montreal has won four straight games, and handed the Astros their fourth loss in a row.

If It Sells Like a Duck, It Must Be Disney's New Anaheim NHL Team

By Richard Sandomir New York Times Service

ANAHEIM, California - First came the film. which grossed \$50 million. Then the arena. Then, the T-shirts, caps and jerseys with the snarling duck-goalie logo.

And on Oct. 8 will come the team. Disney's Mighty Ducks of Anaheim. The advent of the Ducks is not your ordinary nsion-learn story. This wash t a nockeystarved region - like the Denver area, which got the Colorado Rockies baseball team - for

Southern California already had the Los Angeles Kings to the north.

This wasn't a county lacking in sports, for it has the California Angels and Los Angeles Rams playing across the freeway in Anaheim Stadium. No. it was a team inspired by "The Mighty Ducks," the little G-rated Disney movie about the actor Emilio Estevez whipping a bunch of young wiseacres and misfits into a hockey team.

a film that grossed \$50 million and will spawn a sequel to be released during the season.

The movie, Michael Eisner, the chairman of Disney, has said, "was our market research" for

Five weeks before the Mighty Ducks take the ice on the Pond (officially, the Anaheim Arena) against the Detroit Red Wings, the reality is that the team is far more than merely another sports enterprise. It is a slickly marketed new division of the \$7.5 billion Disney machine, a venture that will

target the family culture so familiar to the company and capitalize on Disney's vast resources. Orange County is said to have the type of affluent residents and families expected to be the fan base for the Ducks.

"No one said hockey shouldn't be a family entertainment," said Tony Tavares, the hyperkinetic president of Disney Sports, the corporate parent of the Ducks. "It'll be hockey, but it'll be

And marketed with its silly name. Of course. Eisner loves it. So it will stick. In time, it will seem no sillier than the Penguins. "A lot of people have said the name is stupid

and the logo is stupid." said Tavares. "All I know is the kids love it." Disney's fine hand can be seen in the duckgoalie mascot and in the green-and-eggplant-colored uniforms. The company built the team's

offices, will mastermind the opening-night show and will design between-period amusements.
"There won't be a lot of froufrou," said Tavares.
"Tinkerbell won't be in the rink." In fact, none of the familiar Disney characters will cohabit with

the Ducks, not even Donald or his nephews, Already, Disneyland outlets and Disney's 225 stores are selling Ducks' merchandise, which has overtaken off-season sales of the National Hockey League's licensed goods and spurred investi-

gations of counterfeit Duckware. The smell of paint still permeates the Pond.

SHE WAS NOW

ONLY TEN

inches high.

concert, It is a whimsical, gaudy arena, a striking building with soaring exterior green-glass arch-

ways, marble trim and a coral-colored motif. The Pond was built on speculation, is Ana-heim's hope that a basketball or hockey team could be lured. Securing the Ducks to play in the \$103 million building, with its palm trees swaying outside and its marble floors and wainscot-

There won't be a lot of froufrou. Tinkerbell won't be in the rink.

Tony Tavares, Disney Sports chief

ing, 17,250 seats, 82 close-to-the-ice luxury suites and 1.700 premium seats inside, is a new test of the California market.

For years, the Los Angeles Kings fought to prove that a warm-weather city would embrace hockey. Wayne Gretzky's arrival in Los Angeles in 1988 helped greatly; the Kings' appearance in last season's Stanley Cup finals helped further. "The market is educated," said Tavares, "The Kings made their run. They dominated the me-dia. And more and more kids are playing hockey across the county."

Tavares's rock-solid belief in the expanded market success will have to be borne out in ticket sales. which opened in late June with a Barry Manilow The team has hit a small snag that it believes is

HOW CAN I

HAVE DONE THIS?

SHE THOUGHT."

" I MUST BE

GETTING SMALL

AGAIN"

slowed at about 11,800, short of the 15,000 target.

Tavares had hoped to hit 14,000 by now.
The team has sold 60 of its 82 luxury suites, at prices ranging from \$69,000 to \$99,000, and

about 1.000 of its premium seats. From wherever fans watch the Ducks, they will see a team that will not be highly competitive for several years, like most other expansion barely six months, compared with three times that preparation time for baseball's newest expansion teams.

"We've run crisis by crisis," said Tavares. "There's an issue a minute."

General Manager Jack Ferreira has approached assembling the Ducks the same way he did with the San Jose Sharks several years ago, with the happy exception that the NHL let existing teams keep only one goalie in the expansion draft, allowing the Ducks and the Panthers to

start life with stronger net care.

The Ducks drafted goalie Glenn Healy. He was taken by Tampa Bay in the secondary phase. of the expansion draft and then traded to the Rangers. Anabeim's No. 1 goalie is now Guy Hebert. Among the other noteworthy players on the Ducks' roster are the defensemen Alexei Kasatonov and Randy Ladouceur, and the forwards Steven King, Troy Loney and Stu Grim-

"We have a pretty good base to start with,"

CALVIN AND HOBBES

OK BIKE, LISTEN UP!

I DONT LIKE YOU AND YOU DON'T LIKE ME.

said Ferreira, adding that he has loaded up on big, strong players. "I didn't want a team that could be pushed around. You want respect. You go to the other team's building, and you don't get respect for being an expansion. We need to compensate with size."

A muscular team might be a code word for a violent one, which would not reconcile with Disney's image. Throwing off the gloves and punch-Little Mermaid" or "Aladdin."

Team officials sidesten the violence issue, saving the team is built to fight back, not be a band

of Broad Street Bullies West. In the marketing of any team, especially an expansion franchise, there is hyperbole. The exaggerated expectations are usually met in the early years, as the novelty keeps people rapt.

Disney, a company that has continually remade itself, presents a case for unabashed hype of the

sort never before seen in American sports.
How much the Ducks will contribute to Disney's income is unknown, but they are not a big vestment by Disney's standard of megaprojects.

"At \$50 million, it's not a meaningful part of Disney," said Lisbeth Barron, an analyst for S. G. Warburg, a securities company.

"Typically," she added, "it's not the type of investment that you get a short-term return from, but if they can exploit it for other filmed and entertainment products, they have a good chance at longer-term profits." at longer-term profits."

BUT I'ME GOT THE TOOLS. TO REDUCE YOU TO A

PILE OF PIPES, SPROCKETS AND BALL BENDINGS! DO HE

AND EXCIT ODITIES.

Ballesteros Gets Wild-Card Berth On Ryder Team

The Associated Press VIRGINIA WATER, England - Seve Ballesteros, struggling through his worst season since turning pro 19 years ago, was given

a wild card berth for Europe's Ry-The 36-year-old Spaniard joined his compatriot José-Maria Olazabal and Sweden's Joakim Haeggman as the three choices by the

team captain, Bernard Gallacher. Ballesteros hasn't won a tournament since March of last year, and ranks 38th in the final Ryder Cup

standings, used to determine the top nine automatic berths. The Europeans face the Americans at The Belfry in Sutton Coldfield, England, on Sept. 24-26. The three named Monday join

Bernhard Langer of Germany, Nick Faldo of England, Scotland's Colin Montgomerie, Italy's Costantino Rocca, England's Barry Lane, Welshman Ian Woosnam Englishmen Peter Baker and Mark James and Scotland's Sam Torrance. Haeggman, 24, is the first Swede to be named to the team.

DENNIS THE MENACE

AT LEAST WE KNOW WHERE HE IS. JUNBUE THE SCHOOLS WOMEN TISUE CREYM WHAT THE BASE -BALL PLAYER RATVAC

> To our readers in Germany it's never been easier evox bno edicactur at ha cayon roulded office or fac 069-694894.

From Austria call us toll-free 0660 8155 or fac: 06069 694894.

lumbles CLOVE AHEAD BESIDE PASTRY On-142 NOT



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Complete Sampras Is Looking Out for Title, Not for No. 1

NEW YORK — The complete Pete Sampras is a formidable tennis weapon who has, at least to the naked eye, no apparent flaws as he takes aim at the U.S. Open, the tournament that has historically been as much of a breakdown as a

breakthrough event for him This year's Open is especially pivupras, not only because he wants to average the most translatic defeat of his career, last year's four-set final round loss to the two-time defending champion Stefan Edberg but also because an Open champi onship is the bookend he needs to balance his 1993 Wimbledon title. and regain his No.1 ranking

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Sampras, an unexcitable, modest guy who has few sleepless nights over tennis minutiae, has made it least that have also also that has been also th clear that being No. 1 at year's end would legitimately impress him.

But the ranking is just a side-show to winning the Open, said Sampras's coach, Tim Gullikson, the man who plotted the course that sent him to the top spot in April and then helped him secure a . childhood dream at Wimbledon. When the 19-year-old Sampras-used 100 aces to serve himself the

Open title in 1990, he spent those two weeks in a zone; he said later, gorization. Why had he won? A year later, Sampras retirined he's grown more competitive in di-to as the most defensive of defend-rect proportion to the raising of the

ing champions, overbordened by

not one iots of confidence from 1990 mystery joyride to 1991 cam-paign. His compatriot Jim Courier was only too happy to take advan-tage of the defending champion's discomfort and ousted him in the quarterfinals. When Sampras called the dead end to his first Grand Slam title defense a relief his remark raised the eyebrows of the tennis establishment and was wrongly interpreted as Sampras's admitting he was glad to lose. Sampras returned last year with a different attitude: harder, more

workmanlike and not anyone's crybaby. He even used that term to describe what he was not, and then crashed his way into the final despite coming down with a stomach virus on the final weekend of the tournament. Two years without a Slam title suddenly seemed too long to Sampras.

Sampras, already hailed as the most talented man in his sport by no less an esthete than John McEnroe, will approach the Open from the vantage point of being No. 2. His body has been trained to amascular fare thee well by I'at Etcheberry, the same man who keeps Sampras's most dangerous adver-sary. Counier, in fighting form. Sampras's motivation is clear, his confidence is unquestioned and

stakes that surround him.



No. 1 Steffi Graf stroking a return to Robin White en route to 6-3, 6-0 first-round victory Monday. Maleeva of Bulgaria eliminated

Ferreira Upsets Korda, Navratilova Sets Records:

NEW YORK — Wayne Ferreira of South Africa become the first person to eliminate a seeded player at the 1993 U.S. Open, ousting the ninth-seeded Petr Korda of the Czech Republic on Monday, 7-6 (7-2), 4-6, 7-6 (9-7), 3-6, 6-2.

it was another significant Grand Slam victory for the 22-year-old native of Johannesburg, Last year, he ended John McEnroe's impressive run at the Australian Open. For Korda, it was yet another disappointment on the hard courts

his five trips to Flushing Meadows. Kerda has wen only one match, in 1990, when he reached the second While the computer rankings made Korda the favorite, the result was not that surprising. Ferreira

player last year and is currently ranked 19th in the world. Earlier, Martina Navratilova wrote another page in the U.S. Open record book as she and Steffi Graf easily won first-round match-

was the tournament's 12th-seeded

Playing in her 21st consecutive tournament. Navratilova needed only 50 minutes to beat Gloria Pizzichini of Italy, 6-0, 6-1. That was eight minutes longer than it took Graf to demolish Robin White. 6-3.

In a light first day to this twoweek tournament, the ninth-seeded Anke Huber of Germany defeated Karin Kschwendt of Luxembourg. 6-2, 6-2, and No. 10 Magdalen:

Pizzichini had reached the third round at Wimbledon this summer. Here, she became only a footnote: the opponent in Navratilova's 103d U.S. Open match, 10 shy of Chris Evert's career record.

There was nothing special about Navratilova's game on Grandstand Court. But then, there did not have to be as Pizzichini's only tactic to make the match longer was by playing slowly.
Graf, seeded No. 1, was the first

to take Stadium Court on Monday

— and the first to advance into the second round. And while White hattled Graf evenly through the first six games as the German tried to find the range on her forehand. White soon found she didn't have

Other Monday Results

Man's Singles
Amos Mansdari, Israel, del, Grant Stafford,
South Africa, 24, 67 18-61, 62, 14, retired:
Cpri-Liwe Steeb, Germany, del, Joson Stallenbers, Australia, 1-6, 6-1, 6-4, 6-2, Jonos Stortmon, Sweden, del, Steebing Simian, France,
64, 6-3, 6-3; Agran Artickstein, United Stafes,
del, Gianluca Pazzi, Iraly, 3-a, 7-a, 19-71, 6-4, 6-1,
Wanner's Stanles Women's Singles

Shi-ting Wong, Toiwan, det Stephanie Rather, Neiherlands, 6-0, 6-2; Clare Wood, Brit-ala, def. Mirjam Oremans, Neiherlands, 6-3, 6-1, Shown Stafford, United States, det. Halle Carti, United States . 6-4, 7-6 (7-1); Nicon Muns-Jagerman, Netherlands, del Andrea Singer, Germany, det. Norme Ochlman, Fin-land, 7-6 (7-5), 8-4; Eina Reinuch, South Africa, det, Ann Grossman, United States, 7-5, 8-2. Meredith McGrath, United States, det, Pascale Paradis-Mangon, France, 6-2, 6-7/7-4., 6-4; Sylvia Farina, Italy, def. Cialre Weglink, Netherlands, 5-7, 6-4, 6-2; Linda Harvey-Wild.

twice as many as her opponent, and hit 21 winners, compared with only five for White. Navratilova, who knows her

place in history, broke Virginia: Wade's record of playing in 20 consecutive tournaments. "I've been beyond proving any.,

thing for a long time now." Navra-tilova said. "This is a golden time. and I'm just enjoying the ride." She is also enjoying rewriting the record book, which changes almost every time she takes to the court-Navratilova is seeded third this year, a record 19th consecutive! time she has been seeded in this tournament, the year's final Grand' Slam event. She had been tied with

for most years seeded and most: successive years seeded. And while she has won four U.S. Open titles, she hasn't won at the National Tennis Center since 1987 when she defeated Graf.

Jimmy Connors and Chris Evert

"I have to think that I'm capable" of winning the big one, that I can win the U.S. Open." Navratilova said recently. "That's what I'm shooting for, that's what's in the back of my mind. But I really don't have any expectations other than to give it my best shot."

In other early first-round matches, Britain's Clare Wood defeated Miriam Oremans of the Netherlands, 6-3, 6-1, and Taiwan's Shi-, ting Wang stopped Stephanie Roiuer of the Netherlands, 6-0, 6-2.

SIDELINES

Unser Wins Vancouver Indy Race

VANCOUVER, British Columbia (Reuters) — Al Unser Jr, winless since the 1992 Indianapolis 500, triumphed in the Vancouver Indy race after a titanic battle with last year's champion, Bobby Rahal, while Nigel

Sweden's Stefan Johansson finished third in the 102-lap race on Sunday. Mansell, the Indy points leader, who started in the third position on the grid, had handling problems for most of the race and called it the toughest race he had ever been raced. "We stayed out for two extra laps before making our second pit stop for fuel and tires, and the move really paid off." said Unser, whose margin of victory was 11.199 seconds.

For the Record

North Carolina, ranked 20th in the presenson college football poli, spoiled John Robinson's return as coachiol 18th-ranked Southern Cal, cruising to a 31-9 victory on Sunday in Anaheim, California. (AP)

The German international Michael Remannenigge, 29, has quit Borussia The German international Michael Rammenigge, 29, has quit Borusari Dermand to join Uruwa Red Disnonds in the Japanese soccer league. Borussia said Monday, Rumanic lege is said to have signed a \$900,000-a-year contract that expires in Japanese ary 1996.

Top draft pick Alex Redrigue, 18, and the Seattle Mariners agreed Monday on a three-year saider league, baseball contract worth \$1.6

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(9) and Prince, Staught (9), W—Brocail, 3-10.
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Presidential Memories

ARTHA'S VINEYARD. Hillary never returned my compudding recipe." dential vacation on Martha's Vineyard is over, and no one here will ever be the same. The calls keep coming in from around the country: "Did you see the president?"

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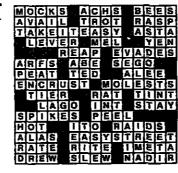
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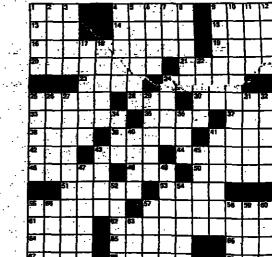
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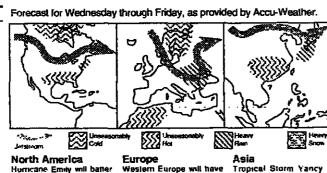
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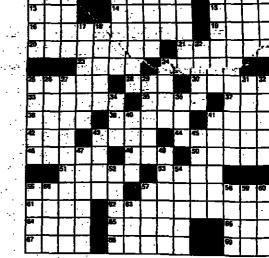
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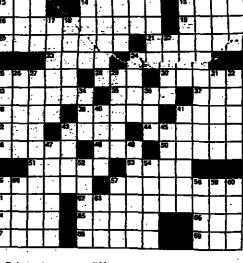
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